

JPRS 77758

6 April 1981

# South and East Asia Report

No. 987



FOREIGN BROADCAST INFORMATION SERVICE

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CONTINENTAL SHELF BOUNDARY AGREEMENT BETWEEN VIETNAM, INDONESIA

Jakarta MERDEKA in Indonesian 22 Jan 81 pp 1, 8

[Article: "Indonesia-Vietnam Agree on Continental Shelf Boundary"]

[Text] A compromise agreement has been reached in the discussions between Indonesia and Vietnam regarding the continental shelf boundary, and the Vietnamese claim has been resolved. This was stated by the Indonesian ambassador to Hanoi, Sudarsono, at the Bina Graha offices today.

"Vietnam has given up its demands and is ready to resolve the matter by means of a compromise," he said.

Sudarsono did not go any further in clarifying the position resulting from the Indonesian-Vietnamese discussions. It is not yet known when the meeting will be held, which is scheduled to take place in Jakarta. As is known, Indonesia and Vietnam differ in principle on determining their maritime boundaries. Some time ago Indonesia established its 200 mile exclusive economic zone.

Answering questions, Sudarsono was pessimistic about the prospects for peace in Kampuchea. He said that a resolution of the Kampuchean crisis would be very difficult to carry out, recalling that Vietnam continued to hold firmly to its principles. This was closely connected to the role of Russia, which continues to provide full assistance to Vietnam. "If Russia stops helping Vietnam, it is possible that there will be a change," he said.

However, Sudarsono does not yet see any signs that Russia will stop its assistance, and this makes a resolution of the Kampuchean question difficult. Nevertheless, he believes that Vietnam will not attack Thailand.

Regarding bilateral relations between Indonesia and Vietnam, he said that due to the Kampuchean question all commercial relations between the two countries had been halted. Prior to that, there had been some trade. Ambassador Sudarsono met the president to report on his own health.

5170

CSO: 4213

## INTER-ASIAN AFFAIRS

### BRIEFS

PRK YOUTH GREETs SRV UNION--Phnom Penh, 20 Mar (SPK)--The Kampuchean Youth Association for National Salvation on Friday [20 March] sent a congratulatory message to the Ho Chi Minh Communist Youth Union on the occasion of its 50th anniversary [26 March 1931 to 26 March 1981]. The message said: We highly appreciate the great achievements of the Vietnamese youth in the national struggle against the colonialists and imperialists and recently against the Chinese expansionists, to build an independent, unified, free and socialist Vietnam. The message stressed that these achievements are a common victory for youths in the three Indochinese countries. The message added: The youth of Kampuchea expresses its profound gratitude to the Vietnamese youth for its timely aid and support. It is determined to work to further consolidate the solidarity, friendship and fraternal cooperation between the two peoples. [Text] [BK220616 Phnom Penh SPK in French 1431 GMT 21 Mar 81]

CSO: 4200



'PATRIOT' INTERVIEWS SHEIKH MUJIB'S DAUGHTER

New Delhi PATRIOT in English 2 Mar 81 p 1

[Text] The news that Bangabandhu Sheikh Mujibur Rahman's 33-year-old daughter Mrs Hasina Wajed has been elected president of the Awami League has generated considerable enthusiasm among the common people of Bangladesh.

Mrs Hasina Wajed, who is planning to return to Dacca at the earliest possible opportunity with her sister, Mrs Rehana Siddiq, told PATRIOT on Sunday what a Chhatra League activist from Chittagong had informed her the other day: The peasants there had decided to accord her a rousing welcome once she returned to her motherland ending her five-and-a-half year exile.

"This is just a reflection of the mood of the people. But who am I? A simple housewife with no experience or qualification as such," she said with the utmost humility. "Actually the honour given to me by my election to the high post and this popular feeling are testimony to the profound respect, admiration and affection for the Bangabandhu that the Bangladesh citizens still nurture in their hearts."

Sitting below a poster of Sheikh Mujib with the caption: "Nation demands try killers of Bangabandhu," Mrs Wajed spoke on her future task. "The assassination of my father and our entire family in August, 1975 was indeed a slur on the face of Bangladesh as a nation. My first task would be to wipe off that slur by realising the trial and sentence of the killers."

Mrs Wajed voiced her open criticism of the present Ziaur Rahman Government charging it with attempts to prevent the trial of the 'killers'. She said she did not possess direct evidence to "prove or disprove" if General Ziaur Rahman was actually involved in the killings. "But there are certain vital indications", she remarked diplomatically.

Developments

In this context she pointed to two latest developments of far-reaching import: (a) a commission set up in London in September 1980 to try the killers was not granted visas to travel to Dacca to collect evidence for the purpose; and (b) all the militarymen who had killed Sheikh Mujib's family had been given comfortable diplomatic posts in Bangladesh Embassies abroad (the alleged kingpin of the operation, Major Dalim, is currently an important functionary of the Bangladesh Embassy in Peking).

"These are sufficient to expose where the regime stands on this question," she added.

Mrs Wajed seldom betrayed emotion in her soft-spoken voice. Only the eyes glimmered at times. Her features bear a striking resemblance with Sheikh Mujib.

She was, however, quite outspoken in relating the repression of the present authorities: the jail killings in Khulna, Rajshahi prisons last year (in which countless political activists were massacred) and the brutal manner in which a peaceful Awami League demonstration was sought to be suppressed on 3 November, 1980 (when even police jeeps were driven through the demonstrators). "It is nothing short of military rule in the name of democracy," she underlined.

Mrs Wajed, her nuclear physicist husband Dr Wajed Mian, sister Rehana as well as son Joy (now nine) and daughter Putui (now seven and a half) were in West Germany when the entire family of Bangabandhu was butchered in Dacca in August, 1975. She came to India in September, the same year and has been living here since then.

Mrs Wajed conveyed her gratitude and sincere thanks to the people and Government of India for "all the honour, affection, courage and confidence I have earned here from them in my worst days of grief." She said she could not ever forget this, because she was able to comprehend in India "how important the shelter and security given to me were."

She said she had come to know of the general situation in Bangladesh through discussions with the eight-member Awami League delegation which came to Delhi to formally inform her of her election to the highest body of the Awami League. She pointed out that while she was elected president, for the first time the League had set up a presidium comprising Mr Abdul Malek Ukil, Mrs Zohra Tajuddin, Dr Kamal Hossain, Mr Abdus Samad Azad, Mr Korban Ali, Mr Abdul Momin Talukdar, Mr Abdul Mannan, Mr Zillur Rahman, Mr Abdur Razzak and Mrs Wajed, and "we will take all our decisions from now on in the presidium itself."

This was fresh proof of the growing vitality of Awami League and its gradual emergence as the mouthpiece for democracy and civil liberties, in cooperation with other democratic forces of the country.

CSO: 4220

## WRITER PREDICTS LITTLE WARMTH IN INDO-U.S. RELATIONS

Calcutta THE STATESMAN in English 28 Feb 81 p 8

[Article by Anandendu Das Gupta]

[Text] It need not be regarded as calamitous, or even exceptional, that the Reagan Administration has not yet displayed any interest in relations with India. Its foreign policy priorities are possibly still in the process of being worked out. The general direction, in global terms, may have been indicated in some forceful assertions, but evidently without adequate reflection. That some of them had promptly to be qualified does not suggest that a clear policy framework has been evolved.

Attitudes towards individual countries or regions seem still more uncertain, notwithstanding responses determined by known sympathies and antipathies. It may be premature to regard the effusive support extended to the visiting South Korean President or the charges of subversive Cuban involvement in El Salvador as a sure guide to what Washington will in fact do. Stock responses will have to be confirmed or modified after closer examination, apart from being refined and elaborated with professional expertise.

## Priority Concern

It is doubtful whether the coordination needed for this exercise has been established within the Administration. Let alone a coherent policy towards others, there does not appear to be much precision in current U.S. thinking even on relations with allies, whether in Europe or elsewhere. India cannot claim the priority likely to be accorded to ally or enemy. And the truth is that India ceased to be a priority concern in U.S. calculations years ago, even under Administrations which professed a special interest in the world's "largest democracy" or made much of a shared faith in humanistic ideals.

Yet there may still be a distinct difference under President Reagan, at least from the Carter days. Whatever irritation may have been caused by President Carter's ostentatious pieties, he was not ruthless enough to act upon the belief that any country declining to endorse the American view of world affairs was not entitled to any consideration on other grounds. That may be Mr Reagan's firm conviction. For him, the political divide /is/ [in italics] the ideological divide; Mr Carter seemed at least vaguely to recognize certain basic human issues (which should be central to any ideology) cutting across the principal political divide.

It remains to be seen whether the Reagan view will differ also from Mr Nixon's which accommodated ideological differences on pragmatic, even cynical, political considerations. President Reagan promises to be ideologically uncompromising in his opposition to Communism: so did Mr Nixon, but he was less of a crusader and was immensely proud of his understanding with Chinese Communists. The China connexion is politically too important to be severed by the new Administration. [as published] But Mr Reagan may not be anxious even for the limited accommodation with the Soviet Union which both Mr Carter and Mr Nixon considered useful.

Again, this judgment may be premature. But if President Reagan's policy towards Moscow conforms to his initial pronouncements he is unlikely to be sympathetic to Indian points of view; he would ascribe all differences to what he would regard as Indian identification with Soviet policy. Neither the democratic experiment in India for more than 30 years nor the compulsions of Third World realities would make much impression on him.

It must also be noted that the impression of New Delhi's identification with Moscow's interests has been strengthened since the Soviet intervention in Afghanistan, not only by Indian failure unequivocally to condemn the act but also because of the context in which diplomatic recognition was given to the Heng Samrin Government in Kampuchea. [as published] Frequent references to U.S. activity in the Indian Ocean and South-west Asia, some of them apparently seeking to extenuate the Soviet take-over in Kabul, have not helped to dispel this impression.

But this cannot have been unexpected. Given the main determinants, and hence the general direction, of Mrs Gandhi's foreign policy, New Delhi can hardly do much to demonstrate its dissociation from Soviet objectives. At the recent non-aligned conference, it went about as far as it possibly could to show its independence without subjecting its ties with Moscow to excessive strain.

That India went along with the conference call for the withdrawal of foreign forces from both Afghanistan and Kampuchea could be regarded as an attempt to live down a pro-Soviet reputation. But it was also clear that India would have preferred criticism of Soviet or Soviet-backed action to be more qualified, if not altogether avoided, though the criticism was implied rather than explicit even in the conference document. Besides, Washington cannot have concluded that Indian endorsement of the final conference formulation, largely for the sake of a non-aligned consensus, indicated any change in the Indian attitude to the Soviet Union or even in the Indian view of developments in Afghanistan or Kampuchea.

American suspicions, therefore, are likely to persist; and Mr Reagan's may be obsessive. The general prejudice against countries refusing to subscribe to the U.S. political line, if not also actively to subserve it, may also be deepened under the Reagan Administration. This may prevent a realistic assessment of how the United States can contribute to global or regional stability. The Reagan Administration's imperfect appreciation of complexities in the global power equation has already become evident, and Moscow has seized upon this weakness in an attempt to generate new differences within the Western alliance.

## Indian Policies

More relevant to India will be Washington's view of regional equations. Whatever the Carter Administration's reservations about Indian policies, it did not fail to note--and acknowledge--India's regional importance, even beyond the confines of what is described as South Asia. But President Reagan may have no time for such balancing considerations. A move to strengthen Pakistan as Washington's natural ally, perhaps largely at the Pentagon's prompting, may have been initiated during the last days of the Carter regime, but a massive programme to augment Pakistan's military capability is likely to be more vigorously and openly endorsed by the present Administration.

Objections over such issues as the reported Pakistani plan for nuclear weapons may not stand in the way: President Carter is already being blamed for having been excessively sensitive and restrictive over the question of nuclear supplies, as his preoccupation with human rights is apparently seen to have dissipated his effort to promote U.S. national interests by greater support to committed allies. A member of the new Administration went to the extent of suggesting that the USA should support "moderate autocrats".

A liberal policy on nuclear supplies will not, however, apply to India. There is already renewed pressure, from circles with views presumably close to the Administration's, for a tougher line against American fuel supplies for Tarapur. The reason cannot be fresh misgivings about India's nuclear intentions; it can only be resentment at Indian refusal to accept U.S. conditions, which is probably seen as part of general opposition to U.S. interests and initiatives. Tarapur has become a political issue, the Indian position being apparently regarded as an anti-American assertion.

All this suggests the possibility of a hardening of American attitude towards India. But it will not be easy for the Reagan Administration to promote a strategy to isolate India from political processes shaping the region's future. It may be tempting to conceive of a broad alliance with Pakistan and China which would reduce India's regional importance if not also constitute a potential threat to Indian interests. But Pakistan's inherent instability must give pause to such calculations; second thoughts must be induced also by continuing internal uncertainty in China.

## Provocation

Besides, China cannot be anxious permanently to close the door to a settlement with India, or to forge an alliance which Moscow might regard as a grave regional provocation. Pakistan, too, is not unmindful of Soviet susceptibilities or of the graver problems Moscow can create despite American safeguards. The calculations might have been different if the Russians or their proteges had been more vulnerable in Afghanistan or Kampuchea. Their position is not enviable, but they are not in such dire distress that they would seek immediate escape under further pressure from the USA and its allies.

It is therefore possible that reflection and experience will modify some of President Reagan's perceptions and conclusions, which have so far appeared to be rather simplistic. It would, in any case, be unfair to judge before a clear



policy outline is discernible. President Brezhnev's shrewdly conciliatory call for a summit meeting with renewed emphasis on detente ignoring all that had been earlier said by the other side, has already set Mr Reagan's advisers the unaccustomed task of formulating a sophisticated response that would take account of not only U.S.-Soviet relations but also possibly divergent calculations within the Western alliance.

In time, the Administration may also be called upon to give closer attention to its policy towards India in relation to its long-term interests in this region. Though there are few promising signs as yet present attitudes may have to be reassessed. On present showing, however, India can hardly expect a particularly warm relationship: and professed expectations are perhaps only for the record. Mrs Gandhi's early initiative in expressing an interest in better relations, by a personal message through Mr B. K. Nehru, must also have been taken without any hope of early results.

For the time being, it would be prudent for both sides not to explore the possibility of a wide-ranging political accord; failure to find any would only harden positions. As the Indian Ambassador in Washington, Mr K. R. Narayan, suggested in a talk with Mr Edmund Muskie in December, it would be better to concentrate on concrete bilateral ties, such as trade, economic, scientific and cultural links. But one warning should be repeated here. No further attempt should be made to resolve differences over nuclear policy: there can be no agreement and further discussion can only add to the bitterness already caused. If possible, Tarapur should be forgotten as a bilateral issue.

CSO: 4220

## DELHI REPORTED UNHAPPY OVER THATCHER'S 'TOUGH TALK'

Madras THE HINDU in English 3 Mar 81 p 9

[Article by G. K. Reddy]

[Text] New Delhi, March 2.

The British Prime Minister's tough talk of containing the threat of Soviet expansionism in the Gulf area with a multinational rapid deployment force backed by a strong Western naval presence in the Indian Ocean is being viewed with strong disapproval in Delhi.

It is felt that, as an ultra conservative trying to live up to her reputation as an Iron Lady, Mrs. Margaret Thatcher is over-playing the Soviet bogey to place Britain one step ahead of Mr. Ronald Reagan's United States for carving out a special role for herself in the Western alliance.

The Prime Minister, Mrs. Indira Gandhi, will have ample opportunity for a candid talk with Mrs. Thatcher during the latter's coming visit to Delhi, on the grave implications of the new Anglo-American doctrine that the Western allies must develop a global strategy within the framework of NATO for dealing with regional conflicts in the wake of what has happened in Afghanistan.

The new contention that the proximity of the Soviet Union to the key oil-producing countries of South-West Asia calls for a well-coordinated Western plan of action with adequate advance preparation for defending such distant interests is totally unacceptable to countries like India in the region.

As one who has already spoken strongly against the moves under way in the Indian Ocean, Mrs. Gandhi will certainly voice her grave misgivings during her talks this week with the West German President, Dr. Karl Carstens, about the very concept of giving a global dimension to the NATO to step up allied capability for coping with regional situations in other continents.

The Indian expectation that the Federal Republic of Germany could play a moderating role in reviving the spirit of detente in Europe would be belied if it failed to restrain the U.S. and Britain from resorting to these strident postures over South-West Asian developments to justify their increased military activity in and around the Indian Ocean.

At the same time India is taking all possible care to dispel the impression that in opposing these Western moves for a military confrontation with the Soviet Union in this sensitive region, it is not in any way condoning the Soviet intervention in Afghanistan. The Indian stand has been amply made clear, both through public pronouncements and in private conversations, that whatever the initial excuse for its action, the Soviet Union has no justification at all for continuing its massive military presence in Afghanistan.

The plea for a peaceful political settlement is primarily aimed at paving the way for Soviet withdrawal with adequate guarantees against any further foreign intervention in the internal affairs of Afghanistan. It is not intended as an apology for the continuance of the Soviet presence with whatever excuse, since Mrs. Gandhi had told Mr. Brezhnev himself that the sooner the Soviet troops were withdrawn the better it would be for all concerned in the region.

The conference on Indian Ocean which is due to be held later this year in Colombo has come to assume crucial importance because of the increasing Great Power rivalries in the region. As India sees it, the very purpose of this conference would be defeated if one Super Power or the other refuses to participate with the excuse that the present moment was not an appropriate time for it.

The U.S. moves to step up its military presence in the name of containing Soviet expansionism in the Gulf area go against the basic concept transforming the Indian Ocean into a zone of peace. The conference cannot make any progress if the Reagan administration decides to keep out and other Western maritime powers like Britain follow suit voicing reservations about the timing of the conference.

It is no use having the Soviet Union alone at this conference, since Moscow will turn the whole thing into a propaganda exercise. The littoral and hinterland countries are thus faced with the difficult problem of first persuading the two Super Powers to attend the conference, before evolving any broad agreement on a set of basic principles for progressively reducing their rivalries in the Indian Ocean.

The Indian Ocean countries feel that the prevailing tensions in the area make it all the more imperative that this conference should be convened during 1981 in accordance with the relevant U.N. resolutions. And India does not want the Big Powers to queer the pitch by intensifying their military activities or adopting strident postures with all the overtones of another cold war confrontation.

CSO: 4220



**SHEIKH ABDULLAH ASKS FRIENDLY TIES WITH PAKISTAN**

Bombay THE TIMES OF INDIA in English 2 Mar 81 p 20

[Text] Jammu, March 1.

The chief minister, Sheikh Abdullah, yesterday made a fervent plea for friendship between India and Pakistan in the interest of both the countries.

Winding up the debate on the governor's address in the assembly, the Sheikh said that recent events in the region had materially altered conditions in the sub-continent. [as published] Both the countries now had to face collectively the dangers surrounding them.

Lashing out at the Congress (I), the chief minister alleged that the party was not prepared to tolerate any non-Congress (I) government in the state. In an obvious reference to the activities of the Congress (I) men in the state, the Sheikh said they could not come back to power by creating a law and order problem and getting the assembly dissolved.

On the Congress (I)'s allegation that the twin objectives of the Kashmir accord had not been achieved, the Sheikh said the party should "feel ashamed" of making such references in regard to the agreement that had been signed by him and the Prime Minister, Mrs. Indira Gandhi. He accused the Congress (I) of having "betrayed" him and the principles on which the accord was formulated.

The Sheikh said he did not hanker after power and had not wanted to come back to power, but the Congress (I) had realised "the injustices" it had heaped upon him every since his ouster on August 9, 1953. [as published]

Referring to the constitutional position in respect of Jammu and Kashmir, he declared that the accession was a declared fact. The instrument of accession and the constitutional position were clarified in the New Delhi accord.

The Sheikh said that after his ouster, many Central laws had been extended to the state and it would be "an insult" to accept these. Some of them had "affected the autonomy of the state."

A cabinet sub-committee was reviewing all the Central laws extended to the state since 1953. "You cannot force anything on us," he said.

CSO: 4220

INDIA, ITALY SIGN TECHNICAL COOPERATION AGREEMENT

Bombay THE TIMES OF INDIA in English 28 Feb 81 p 10

[Text] New Delhi, February 27.

India and Italy today signed a technical co-operation agreement and, after high-level talks during the past two days, agreed to further expand and diversify economic relations.

The visiting Italian foreign minister, Mr. Emilio Colombo, met Mrs. Indira Gandhi and also held separate discussions with some of her cabinet colleagues.

The technical co-operation agreement was signed by Mr. Colombo and the Union finance minister, Mr. R. Venkataraman. The agreement provides for the services of the Italian experts, training facilities and supply of technical equipment from time to time.

Mr. Colombo expressed his government's willingness to provide a government credit of \$20 million to cover Italian exports to India. Besides, Italy would also facilitate the use of unutilised export credits pledged from time to time.

Mr. Colombo also held talks with the external affairs minister, Mr. P. V. Narasimha Rao, the minister for petroleum and chemicals, Mr. P. C. Sethi, and the commerce minister, Mr. Pranab Mukherjee. Mr. Mukherjee proposed a joint venture in the field of leather in India with buy-back arrangements. Mr. Colombo welcomed the suggestion.

During his meeting with Mr. Sethi, bilateral co-operation in oil exploration, fertilisers and chemicals was discussed.

Mr. Sethi told him of the on-going co-operation between Italian firms and the Indian fertiliser industry. The visiting minister was informed that Italian firms were among the 37 shortlisted for inviting bids for the exploration of oil in selected blocks in the onshore and offshore areas.

Mr. Sethi visited Rome last month and discussed with Italian leaders assistance to the fertiliser industry in general and the Thal-Vaishat project in particular.

#### Area of Accord

Mr. Colombo's talks with the Prime Minister and the foreign minister covered the international situation, bilateral matters and issues relating to the North-South dialogue.

Addressing a press conference later, Mr. Colombo said India's development plans provided considerable scope for increased participation by Italy in the financial, industrial and technological fields.

Mr. Colombo said that there was considerable area of agreement between India and Italy despite the fact that the former belonged to the non-aligned movement and the latter to NATO.

Earlier, addressing a meeting of the Federation of Indian Chambers of Commerce and Industry, the Italian foreign minister said entrepreneurs in Italy were not aware of the potentialities of Indian trade and industry. He would meet trade chambers and groups of his country and inform them of his deliberations here. A delegation from Italy would visit India.

CSO: 4220

PROTOCOL ON INDIAN-NETHERLANDS TALKS REPORTED

Bombay THE TIMES OF INDIA in English 28 Feb 81 p 9

[Text] New Delhi, February 27.

Dutch banks have offered funds for India's development plans. This was indicated during the talks between Indian and Dutch delegations here this week.

The Indian delegation led by the commerce minister, Mr. Pranab Mukherjee, and the Dutch delegation headed by Prince Claus, today signed the summary of discussions and conclusions reached during the talks.

The visiting delegation hinted that the funds from Dutch private banks would be available on commercial terms for the period of eight to ten years and could be lent either to financial institutions in India or direct to the project implementing agency for specific projects.

Expressing appreciation of the view of the Netherlands government, the Indian side pointed out that in view of the paucity of aid fund on soft terms, the government of India had started tapping the Euro-dollar market for specific high-priority projects selected on the basis of their foreign exchange requirements.

The Indian side also mentioned that Dutch bank funds could become available through participation by Dutch banks in such Euro-dollar borrowings, on comparative terms.

The Indian side made it clear that Dutch private banks were welcome to channel their funds into India, through a Dutch party, in projects involving transfer of high technology or in 100 per cent export-oriented projects.

The two countries have decided to start negotiations for the conclusion of an agreement on economic and technical co-operation. They have also discussed the possibilities of co-operation in the fields of trade and industry, agriculture, shipping, science and technology, culture and joint ventures and other development projects in the third countries.

The Indian delegation expressed interest in obtaining Dutch collaboration in several fields of shipping and transport. These areas were consultancy services for container handling facilities at Bombay and Madras ports, consultancy services for micro level planning and guiding containerisation in the country, collaboration in the field of dredger building industry and dry docks.

In order to promote closer contacts between the industries in both countries, the two delegations felt that the representatives of private enterprises could be associated with the meetings of Indo-Netherlands joint committee. In addition, the possibilities of establishing a joint business council between the national chambers of commerce and industry of the two countries could also be explored.

CSO: 4220

## ITALIAN COOPERATION IN INDIAN PROJECTS REVIEWED

Bombay THE TIMES OF INDIA in English 27 Feb 81 p 9

[Article by L. K. Sharma]

[Text] New Delhi, January 26.

The Thal-Vaishet and Hajira fertiliser units and the Ramagundam thermal power plant are the latest symbols of the growing Indo-Italian industrial co-operation.

Contracts have just been signed with Snamprogetti, an Italian company of the big ENI group, for setting up three urea plants at Thal and four urea plants at Hajira. The plants at Thal in Maharashtra with a capacity of 1,500 tonnes per day are being set up for Rashtriya Chemicals and Fertilisers Ltd. and the four units at Hajira in Gujarat with a capacity of 1,100 tonnes per day are to be owned by the Krishak Bharati Co-operative Ltd.

The Italian company is considered to be among the world leaders in the field of urea technology. It has a proven record in India, having built a 1,550-tonne-per-day urea plant at Phulpur for the Indian Farmers' Fertilisers Co-operative. This plant is ready for commissioning. Snamprogetti are currently building an urea plant of 1,000 tonnes per day at Trombay and a giant urea plant of 1,800 tonnes per day at Bharuch in Gujarat. These two as well as an ammonia plant of 900 tonnes per day, also at Trombay, are in an advanced stage of construction.

#### Since Late Fifties

Snamprogetti has been active in India since the late fifties and has built a carbon black plant at Durgapur, a refinery in Madras, a lube oil plant in Trombay, a urea plant in Baroda, the Haldia-Barauni-Kanpur pipeline and a pipeline complex in Gujarat.

An attractive feature of its co-operation is its agreement to transfer its technology for future urea plants in India. For this, a separate agreement has been reached between Snamprogetti and Fertiliser (Planning and Development) India Ltd. (FPDIL). Under its terms, FPDIL, which has a large bank of expertise and provides consultancy services, will be able to offer Snamprogetti technology to third countries.

This Italian company is also indirectly involved in the ammonia plant at Thal-Vaishet, the Danish company, Haldor Topsoe, which is erecting it being a subsidiary

of Snamprogetti. The selection of this subsidiary hit the headlines recently as it led to the withdrawal of the World Bank's offer of credit for the project. The Indian government obviously found the terms of the Danish company attractive enough to ignore the risk of incurring the World's Banks's displeasures. [as published]

Snamprogetti's operations are comparatively more in harmony with India's objective of gradually building up its own capabilities in vital industrial fields. Indian expertise and equipment have been used by Snamprogetti in its refineries and projects in third countries. Indian engineering services were also utilised by Snamprogetti for commissioning and initial operation of its urea plants in Venezuela and the USSR.

Fertilisers is one field in which there has been a massive presence of the Italian companies. There are several other areas also in which they have been participating. These are oil, drugs, dyestuffs, automobiles, tyres and tubes, synthetic fibres and machinery. ENI was the first company from the West to have offered India technical assistance and long-term credit for the development of the oil industry in the public sector. AGIP, one of the ENI companies, has collaborated with the ONGC in the exploration and production of crude oil in the Persian Gulf.

The number of total Indo-Italian collaborative ventures has gone up to more than 190, though the Italian investments have been stagnating for various reasons. The Fiat cars and the Lambretta and Vespa scooters are the most popular examples of the bilateral industrial co-operation.

Another field of co-operation is power generation in which the Italian company, Ansaldo, made an entry by outbidding BHEL. The 150-million-dollar contract for the Ramagundam super thermal station involving World Bank credit, was won by Ansaldo against keen global competition.

Besides erecting the 200-Mw. thermal power units at Ramagundam, Ansaldo is seeking greater participation in India's energy development plans.

It has submitted offers for the supply of thermal power stations in Gujarat, Tamil Nadu, Orissa and West Bengal and is ready to make the Italian credit accessible to the government for the part of equipment bought in India.

Another major proposal by Ansaldo in the energy sector being considered by the government is for an integrated power complex in which Ansaldo will mine coal, supply and erect a thermal power station in the surrounding area, provide finance for the project and accept part of the coal mined in payment for the equipment to be supplied by it.

In the automobile sector, while Fiat's old Indian collaborators have plans to update its model, its new French associate, Peugeot, is in the picture as far as the Maruti car project negotiations are concerned.

The interest of the Italian companies in the Indian market is growing because of the recession in the home market and the growing saturation in the oil-producing countries.

CSO: 4220



## GANDHI, KENYAN PRESIDENT DISCUSS NONALIGNMENT

Calcutta THE STATESMAN in English 24 Feb 81 p 1

[Text] New Delhi, Feb. 23.--Describing as totally unfounded doubts expressed in a section of the foreign Press about India's commitment to non-alignment, Mrs. Gandhi today told the visiting Kenyan President, Mr. Daniel Arap Moi, that such a commitment did not preclude a country from looking after its own national interest.

Sharing Mrs Gandhi's views on the relevance of non-alignment in the present international context, Mr Moi, during his talks with Indian Prime Minister, underlined the need for leaders to work for peace and stability in the world.

In the context of India's adherence to the policy of non-alignment, Mrs Gandhi reviewed relations with the USA the Soviet Union and other important countries and also India's commitment to developing good relations with her neighbours. She pointed out that India had consistently wanted to improve relations with Pakistan and China.

President Moi, who arrived here this morning from an overnight halt at Bombay, was received at the airport by President Sanjiva Reddy, Mrs Gandhi and her Cabinet colleagues. At the airport Mr Moi said that Kenya would like to draw on India's experience in economic and technical fields.

A cultural agreement, another pact on trade and a third on economic and technical cooperation are expected to be signed between the two countries tomorrow. At the end of Mr Moi's visit, the first by a president of his country, a joint communique is to be signed.

President Moi had a meeting for 30 minutes with Mrs Gandhi. This was followed by a 50-minute meeting between the two leaders at which Ministers and officials were present.

The Prime Minister appreciated Kenya's policy of "racial non-discrimination". She also spoke of the need to further strengthen Indo-Kenyan relations in the context of Kenya's important position in Africa. [as published]

President Moi said that the main objectives of his visit were to further strengthen friendship between the two countries and also increase the range and content of mutual cooperation.

CSO: 4220



**INDIA, KENYA SIGN PACT ON JOINT VENTURES**

Bombay THE TIMES OF INDIA in English 25 Feb 81 p 1

[Text] New Delhi, February 24.

The Indo-Kenyan relations have entered a new phase with the signing of the first ever bilateral agreement between the two countries signed here today during the visit of the Kenyan President, Mr. Daniel T. Arap Moi.

Decks have been cleared for several joint venture in Kenya and for increased Indian assistance in the fields of education and technical development.

The agreements covering the fields of culture, education, technical and economic co-operation and trade were signed at Rashtrapati Bhavan in the presence of the Kenyan President and the Prime Minister, Mrs. Indira Gandhi.

Machine tools, pesticides, sugar, cement plants, PVC resins, oxygen plants, drugs and pharmaceuticals, animal feed plants, rubber reclamation and agricultural machinery are some of the fields in which India will assist Kenya.

The possibility of setting up joint ventures in the field of steel tubes, cold rolled steel plants and basic drugs will be explored. Training facilities will be provided to Kenyan technicians in the manufacture of electronic equipment in the field of communication, defence and trade and industry. Kenya also requested India to provide assistance in setting up electronic research and development centre.

**Sugar Plants**

One major sugar mill and four mini sugar plants may be taken up immediately with Indian participation. In pursuance of a study undertaken by Pesticides India, Kenya agreed to collaborate with Indian parties in this area.

Kenya felt that Indian parties would be competitive in international bidding and should be encouraged. It noted offers by the Indian companies of collaboration, supply and commissioning of cement plants.

Indian companies have also offered to erect oxygen and PVC resin plants. It was stated that the government of Kenya would expedite decisions on these.

An Indian team of experts would go to Nairobi shortly to undertake feasibility studies on the manufacture of basic drugs, particularly in the small sector. Kenya also agreed to expedite implementation of the project for setting up an animal feed plant in which the project and equipment corporation is a party. PEC has also offered to set up a rubber reclamation plant.

Kenya sought India's assistance in preparing a project for the establishment of small power looms and supply of looms and export-oriented complex for finished leather and leather goods.

For drawing up detailed plans of technical assistance, a multi-disciplinary expert delegation would proceed to Nairobi to identify possible projects and areas.

The economic and technical cooperation agreement was signed by the Kenyan minister of state, Mr. N. Biwott, and the external affairs minister, Mr. P. V. Narasimha Rao.

The trade agreement was signed by the Kenyan industries minister, Dr. M. Waiyaki, and the commerce minister, Mr. Pranab Mukherjee. It provides for a "most-favoured nation treatment" in matters of trade. The two countries would endeavour to encourage direct trade and increase the share of the state trading corporations of the two countries. A joint committee would be set up to review implementation of the agreement and to suggest measures for expansion and diversification of trade.

Kenya is to step up its supply of soda ash and also acid-grade flourespar.

The cultural agreement was signed by the Kenyan minister for higher education, Mr. J. J. Kamotho, and the education minister, Mr. S. B. Chavan.

CSO: 4220

## REDDY, KENYAN PRESIDENT SPEAK AT DELHI BANQUET

Bombay THE TIMES OF INDIA in English 24 Feb 81 p 9

[Text] New Delhi, Feb. 23 (UNI).

India and Kenya tonight called upon the littoral states to make collective efforts to turn the Indian Ocean into a zone of peace.

Speaking at a banquet here in honour of President Daniel T. Arap Moi, President Sanjiva Reddy said: "It is necessary that the littoral and hinterland states put up an united front during the Indian Ocean conference, to be held in Sri Lanka later this year."

Referring to the intensification of the big-power military presence and rivalry in the area, Mr. Reddy said: "We must devise concrete plans to secure the implementation of the UN declaration, thereby safeguarding the security, interests and peaceful development of the countries in the region."

In this context, Mr. Reddy added: "We are also aware that there are some unsettled problems on your side of the Indian Ocean. We firmly believe that all disputes should be settled through peaceful means with full respect for the sovereignty, territorial integrity and independence of all states.

"A growing number of countries have come to believe in the validity of the policy of non-alignment and the recent non-aligned ministerial conference in New Delhi had addressed itself to the basic political and economic issues that concern our world today."

Mr. Reddy also referred to the increasing global tensions and said detente and disarmament had been eroded and there was evidence of a phenomenal increase in the defence expenditure of the major powers.

He observed: "In our own proximity in South-East and South-West Asia, the exacerbation on tensions has led us to view recent developments with deep anxiety. He hoped all these issues would be resolved through a peaceful and political means.

Touching upon the developments on the African continent, Mr. Reddy regretted that the racist regime of South Africa continued to practice apartheid. He pledged India's continued support to SWAPO, the legitimate representative of the

people of Namibia, in their liberation struggle. He expressed satisfaction that a democratically elected government had been installed in Uganda.

Referring to the "gloomy" picture on the world economic front, Mr. Reddy said while the situation needed bold and innovative solutions, "It is imperative for India and Kenya, whose economies are adversely affected, to come closer and strive for the restructuring of the present unjust international economic order."

About bilateral relations, Mr. Reddy said he was happy that a large number of people of Indian origin have been making whatever contribution they could to the socio-economic development of Kenya.

Replying to the toast, Mr. Moi said, "We both believe in peace, globally and in each region, and in this connection we are especially concerned that the Indian Ocean should remain a zone of peace."

#### Territorial Integrity

Mr. Moi said: "Both India and Kenya have pronounced respect for the territorial integrity of all nations whether separately or in concert." He emphasised that "our voice in world affairs has given the principle of non-alignment credibility and vivid purpose."

"We have in Kenya many groups and communities of Indian origin. They have made a tremendous contribution to our national development in diverse fields like transfer of technology and the development of commerce and industry." He said: "Our economic advancement has been promoted by the strong and growing economic co-operation with India."

Mr. Moi said all Kenyans considered his state visit to India as a "major factor in cementing the already strong friendly relations between our two nations." He said this was the first state visit to India by any Kenyan head of state and as such "this occasion may be deemed to have historical significance."

Referring to the deteriorating world political and military situation, President Moi stated: "Human destiny is threatened by the adventurings of power-blocs determined to sustain--or to enforce--their divergent ideologies." In this situation, he stressed "nothing is more important than soliarity within the third world."

He added: "We must seek to sweep aside any petty disputes or differences so that third world expressions and convictions are at last seen to be universal. Only then our voice for world-wide development and justice will achieve a force that cannot be ignored."

CSO: 4220

## PROSPECTS OF INDO-BULGARIAN TRADE REVIEWED

New Delhi PATRIOT in English 2 Mar 81 Supplement p 2

[Text] Regardless of the considerable geographical distance and the differences of social structure that have taken shape in the course of history, traditional friendly relations exist between the People's Republic of Bulgaria and the Republic of India. They are based on closeness of spirit and the common aspirations of the two peoples in safeguarding world peace and in the democratic restructuring of international relations.

The constructive meetings and talks between Todor Zhivkov, President of the State Council and Mrs Indira Gandhi, Prime Minister of the Republic of India, in 1967, 1969, 1976 and 1980 have provided a powerful impetus to the development of bilateral relations. These meetings essentially outlined the main trends in the all-round cooperation between the two friendly States, based on the principles of equality, mutual respect and full regard for national sovereignty and interests. Both political, and cultural and economic relations have been intensively developing.

A new, vivid expression of this trend was the recent visit to India of a Bulgarian cultural delegation led by Lyudmila Zhivkova, President of the Committee for Culture. A broad programme for cooperation in the spheres of culture and the arts was worked out and its implementation will no doubt contribute to the growing closeness between the two peoples and will stimulate the deepening of relations in other spheres of material and spiritual life, too.

In the past few years, economic, trade scientific and technical cooperation between the two countries has developed intensively. Foreign trade relations between them were regulated in 1957 when the first bilateral agreement on trade and payments was signed. Ever since mutual trade has been steadily increasing with insignificant vacillations. This is obvious even if a most cursory review is made of the dynamism of mutual trade. The volume of deliveries both ways grew from 1.4 million US dollars in 1960 to 29.6 million in 1970 reaching 54.6 million in 1980 which is an increase of 39 times.

In the past few years Bulgaria has been delivering considerable quantities of artificial fertilizers, soda ash, diesel fuel, hot and cold rolled sheet iron tin-plate, steels, pharmaceutical substances polymer fibres, and other goods, necessary for the Indian economy. At the same time through imports from India Bulgaria meets part of its needs of jute and jute products, mica, tobacco, leather



medicines, spices, steel ropes, textiles ready-to-wear clothes etc. A characteristic element reflecting India's increased industrial potential is the growing share of road building and metal working machines finishing and other machines for the textile industry in its export list.

Some experience has been accumulated by both countries in the development of other forms of economic cooperation, too. Bulgaria has taken part in the construction of a number of enterprises of the food, beverages and tobacco, the chemicals and pharmaceutical industries of the Republic of India. For years the Curewell production and marketing mixed association has been functioning successfully and the whole quantity of gamma globulin, albumin and other medicines produced are exported by Bulgaria.

An intergovernmental Bulgarian-Indian commission of economic, scientific and technical cooperation was set up in 1973, which discusses all problems and prospects of bilateral cooperation. [as published] The commission has working groups on: machine building and heavy industry; electronics and electrical engineering; chemicals and pharmaceutical industry; agriculture; trade; scientific and technical cooperation, etc. [as published] By its overall activity the commission and its bodies have proven their advantages as operative bodies regulating bilateral economic relations.

The decisions of the Fifth Session of the Intergovernmental Commission of economic, scientific and technical cooperation, held during the visit to India of a Bulgarian economic delegation headed by Grisha Filipov, member of Politburo and Secretary of the CC of the BCP (June 1980), deserve special attention. The thorough work of the Session resulted in the identification of numerous promising trends for the further expansion of bilateral production, trade, scientific and technical cooperation which were reflected both in the Memorandum signed on the talks conducted between the leaders of the government delegations and in the Protocol of the Fifth Session of the Commission. The documents signed and the agreements reached contain qualitatively new features, as they lay the foundations of a large-scale, long-range, complex and planned cooperation.

During the second half of 1980 and the beginning of 1981, 14 groups of Bulgarian specialists were sent to the Republic of India, which were entrusted with the task of studying, jointly with their Indian colleagues, the possibilities of effective cooperation in the individual sectors of the economy. A considerable number of representatives of the Indian business circles visited Bulgaria with the same purpose.

At the present stage the most promising projects of bilateral cooperation are: cooperation in the manufacture of minicomputer equipment the joint production and marketing of moldings according to the original Bulgarian method of gas injection casting, cooperation in shipbuilding, joint exploitation of marble and granite, the establishment of joint ventures for the manufacture of shoe uppers and leather gloves for Bulgarian needs cooperation in the construction of complete projects and the updating of existing capacities on the territory of India, Bulgaria and third countries, joint elaboration of applied science themes of mutual interest, etc.

The wide prospects for the development of mutually beneficial production trade, scientific and technical cooperation ensue, above, all from the successful

development of the economies of the People's Republic of Bulgaria and the Republic of India and from their steadily growing participation in the international division of labour. [as published]

The dynamic development of the productive forces and particularly of the structure-determining sectors of industry, have enabled Bulgaria, which is comparatively small in territory and population, to take a place among the leading exporters of electric and i.c.e. trucks electric hoists, ships and ship equipment, metal working machines, electronic computer equipment artificial fertilisers, soda ash, pharmaceutical goods, etc.

In the years of the Seventh Five-Year Plan of socio-economic development alone (1976-1980), the country's national income has increased by nearly 25,000 million leva in comparison with the preceding five-year period.

Increased production has paved the way for a close to doubling of foreign trade in 1980 in comparison with 1975.

Progressive changes have taken place in the structure of exports, whereby the relative share of machines and equipment has reached 45 per cent.

These progressive trends will persist and develop further during the ongoing period (1980-85).

During the Eighth Five-Year Plan period industrial production is envisaged to rise by 30 to 35 per cent, the chemicals industry by 50 per cent, machine-building by 50-55 per cent.

Foreign trade is expected to rise by about 40 per cent. A policy of accelerated development of foreign economic relations with the developing countries will be consistently pursued.

In this way objective possibilities will be created for expanding and deepening the cooperation between the Peoples Republic of Bulgaria and the Republic of India. The greater economic and export potential of the People's Republic of Bulgaria will be a sound basis on which trade and economic cooperation between the two countries will develop further.

CSO: 4220

## DETAILS OF INDO-BULGARIAN TRADE TALKS REPORTED

New Delhi PATRIOT in English 4 Mar 81 p 8

[Text] Bulgaria will supply petroleum products to India and has been urged to finalise long-term contracts for pellets from the proposed Mangalore plants based on Kudremukh iron ore concentrates, reports PTI.

Also, an offer of MECON (Metallurgical and Engineering Consultants of India) to help set up a new one million tonne steel plant in Bulgaria has been conveyed to visiting Bulgarian Minister of Foreign Trade, Hristo Hristov, official sources said on Tuesday.

An undisclosed quantity of diesel and other petroleum products will be supplied by Bulgaria for the first time under a contract, it was stated after the first plenary meeting held by Minister for Commerce Pranab Mukherjee with the visiting delegation.

Mr Mukherjee, seeking early contract for the Kudremukh pellets, noted that the Public Investment Board had cleared the Mangalore plant.

Under a protocol signed last October, India would supply to Bulgaria direct reduction pellets from Kudremukh at 0.2 million tonnes in 1984, going up to 0.6 million tonnes in 1986. From 1987, the quantity would be one million tonnes per year under a contract for 10 to 15 years.

The steel plant at Bulgaria, to which MECON has now offered consultancy and engineering services, is to be based on sponge iron with imported iron ore from India. [as published]

MECON, commended Mr Mukherjee at the talks yesterday, has set up a similar plant at Nigeria and is capable of implementing the project in Bulgaria as well.

He suggested that Bulgaria with its proposals to increase steel production would want to import large iron ore supplies from India. From 1981-1990, India is to supply one lakh tonnes of iron ore each year under an existing agreement with MMTC (Minerals and Metals Trading Corporation of India).

At the talks, India and Bulgaria explored how to expand and diversify trade, now confined to a limited number of items.

Earth moving equipment, engineering products, chemical and pharmaceutical products, and nitrogenous fertilisers, cargo vessels and soda ash are some of the



areas where both agreed on the need for long term contracts, an official press release said.

Tobacco was mentioned by Mr Mukherjee as an item where Bulgaria, with higher average yield, could help train Indian farmers in productivity measures. Also, there was scope for cooperation in petrochemicals and dyestuff technology in the background of the surplus Indian capacity for manufacturing pesticides and basic chemicals and of an exportable surplus of drugs and drug intermediates, the Commerce Minister said. [as published]

Bulgaria has offered to supply about a dozen ships to India during the next five years.

The ships Bulgaria is in a position to supply to India range from 25,000 DWT to 30,000 DWT.

The offer was made by Bulgarian Foreign Trade Minister Hristo Hristov to shipping and Transport Minister Veerandra Patil.

Mr Hristo who is leading a three member delegation of his country also discussed with Mr Patil matters of mutual interest especially with regard to the acquisition of ships from Bulgaria for Indian shipping lines.

CSO: 4220

## AID TO NEIGHBORS, DEVELOPING COUNTRIES INCREASES

Madras THE HINDU in English 3 Mar 81 p 10

[Text] New Delhi, March 2.

The general budget shows an all round increase in the economic and technical aid to neighbouring countries, like Nepal, Bhutan and Bangladesh, and other developing countries in Asia, Africa and Latin America.

The aid to Nepal will go up to Rs. 20.62 crores as against Rs. 14.22 crores in the current year's revised estimates, to Bhutan to Rs. 49.81 crores against Rs. 41.13 crores and to Bangladesh Rs. 2.52 crores (Rs. 2.11 crores as grant and Rs. 0.41 crore as loan) against Rs. 1.88 crores (Rs. 1.21 crores as grant and Rs. 0.67 crores as loan).

The details given in the demands for grants for the External Affairs Ministry are as follows:

**Nepal:** Aid to Nepal is administered by the Indian Embassy at Nepal. The aid is in the form of technical assistance, execution and financing of projects on turn-key basis and cash grants to local government agencies for construction of roads, highways irrigation and power projects, industrial schemes and other projects.

Various projects are being executed through different departments of the Indian Government like Central Public Works Department, Posts and Telegraphs Department and Irrigation Department. Important projects which are in progress include east-west highway (Central sector) also known as Mahendra Raj Marg.

The Indian Government has also agreed to provide assistance to Nepal for the construction of Devighat hydro-electric project and Panchashwar irrigation project, to carry out survey of the Dolalghat-Dhankuta road, and to finance the setting up of two industrial training centres at Nepalganj and Butwal.

**Bhutan:** Under the bilateral arrangement between the Indian Government and the Government of Bhutan, assistance is given to Bhutan as follows:

1. (a) Treaty payment--a recurring annual payment of Rs. 5 lakhs; (b) ad-hoc subsidy of Rs. 2.5 crores per annum given in lieu of excise duty paid by Bhutan on purchases made in India.

2. Development measures:

(a) India is financing the Chukha hydro-electric project which is currently estimated to cost Rs. 149.36 crores, by providing grant and loan assistance in the ratio of 60 per cent and 40 per cent respectively.

(b) The Penden cement plant has been constructed at Gomtu in Bhutan at a cost of nearly Rs. 14.20 crores.

(c) Other schemes cover investigation and surveys, scholarships to students, maintenance of hydro meteorological stations, mineral explorations etc.

Bangladesh: Assistance extended to Bangladesh covers purchase of commodities, credit for supply of textile machinery and rehabilitation of the Bangladesh railway system.

CSO: 4220

## CONGRESS(I), OPPOSITION REPORTED ON COLLISION COURSE

Madras THE HINDU in English 25 Feb 81 p 9

[Article by G. K. Reddy]

[Text] New Delhi, Feb. 24.

The ruling Congress (I) and the Opposition parties in the country seem to be setting themselves irrevocably on a collision course with their differing approaches to both domestic politics and foreign relations.

The sharpening class conflicts, communal discords, caste feuds, ideological tussles, personal animosities and clashes of political interests are casting them increasingly in adversary roles with no common ground left for any bipartisan stand even on fundamental issues of public welfare.

The Government is proceeding on the assumption that the Opposition parties are out to foment unrest, or exploit agitation, to tarnish the image of the ruling party irrespective of consequences.

The Opposition parties, on the other hand, are bent on embarrassing the Government under the impression that the ruling party is not really interested in seeking their cooperation.

It is this peculiar psychology of mutual distrust that compels the Prime Minister, Mrs. Gandhi, to keep the Opposition parties at a distance, while professing to rise above the rut of party politics in tackling the bigger national problems.

The Opposition parties, in turn, continue to feel strongly that they are being wrongly denied their rightful democratic role of opposing the Government.

The result is that this bitter animosity between the Government and the Opposition which has become an unsavoury feature of Indian democracy is now extending from domestic politics to even foreign relations. The Opposition parties which are out to embarrass the Government are thinking of sending delegations to various non-aligned countries to preach their own brand of "genuine" non-alignment.

The attempt to decry the present Government's conduct of foreign policy

might acquire the odious overtones of accusing Mrs. Gandhi of a deliberate tilt towards the Soviet Union and, in the process, pleading unwittingly for a pro-American counter-tilt as part of a balancing operation in the name of "genuine" non-alignment.

If a ruling party is prone to exude superior airs in attempting to assert self-righteously the validity of its policies and actions, the Opposition parties smarting under the humiliation of defeat tend to carry their adversary role to

the extreme limits of decrying everything done by the Government.

**Misconception:** The inability of the ruling party and the Opposition to play their respective role in running the democracy stems from a basic misconception which is often mistaken for a fundamental contradiction in the country's electoral system. A ruling party in India is elected, more often than not, on a minority vote even when it is returned with a big majority.

The Opposition parties do not consider themselves routed at the polls when they have lost an election, because they invariably poll collectively as many votes as the victorious party even if they have failed to win enough seats.

If the party in power imagines that it has the mandate of the people to rule the country according to its lights, the Opposition parties feel that they are no less entitled to pursue a policy of obstruction in the name of opposition, while staking their claims to be consulted and associated with major policy decisions.

The strange logic of this argument provokes those in power to squish any offer of cooperation by the Opposition, suspecting some ulterior motive behind it. The very same mentality makes the Opposition parties become even more

independent in the heat of controversy under the mistaken notion of asserting their legitimate democratic rights.

After the first week of the current budget session, the few lobby-minded members left in Parliament have been pondering over these serious imbalances that have crept into Indian democracy in the absence of a good working relationship between the Government and the Opposition. But none of them has any remedy to offer in the prevailing atmosphere of increasing cross-purposes.

**Out-numbered** There are occasions when the combined Opposition, though heavily out-numbered by the ruling party, is able to assert itself in Parliament, as it did today when it forced the Government to make a statement on the tragic happenings in Gujarat and succeeded in securing a promise of a fuller discussion on the subject.

But more often the divided Opposition cancels itself out and plays into the hands of the ruling party by either exaggerating an issue or attempting to compel the Government to fall in line with its own viewpoint.

As one highly respected member put it, the country is now faced with a strange triangular situation in which Mrs. Gandhi's personal popularity with the masses remains undiminished, the prestige of her Government is pretty low because of its poor performance, and yet the Opposition parties, which are more divided than united, are unable to make any headway in taking advantage of it.

And this, in short, demonstrates quite poignantly the painful dilemma of Indian democracy at present.

# OPPOSITION LEADERS DISCUSS CONSOLIDATED FRONT

Calcutta THE STATESMAN in English 27 Feb 81 p 1

[Text] New Delhi, Feb. 26.--A proposal for forming a federal party, with a "rotating" president, was discussed last night by leaders of a number of Opposition parties, with the purpose of putting up a consolidated front against the Congress (I).

The first-ever move to experiment with another combination of Opposition parties, a year and a half after the Janata enterprise broke down, was reportedly made at a meeting held at the house of Mr Biju Patnaik, M.P., and former Union Minister of Steel and Mines.

Among those present were Mr Chandra Shekhar, president of the Janata Party, Mr K. P. Unnikrishnan, Mr A. K. Anthony, and Mr Sharad Pawar of the Congress (U), Mr Madhu Limaye, general secretary of the Lok Dal, Mr George Fernandes and Mr Chandrajit Yadav, besides Mr Patnaik.

Mr H. N. Bahuguna, leader of the Democratic Socialist Front, was invited, but he could not participate because his plane arrived late in Delhi. Mr Subramanian Swamy was also invited, but he declined to attend saying that no useful purpose would be served by his being present.

The leaders discussed the question of bringing together the Opposition parties, but some expressed the view that the problem was not of "coming together, but staying together". Thereafter, formation of a combination on a federal pattern, in which the president would be elected by all the participating parties by rotation was considered.

The proposal would be gone into at future meetings, though it was felt that if this materializes there will be "fissures" in the existing parties.

It may be recalled Mr Jagjivan Ram, who is now in the Congress (U) has already expressed the view that it would be futile to work out another Janata-type experiment, though what could happen--if the Opposition parties agreed to coalesce--is that they could come together on the basis of a specific programme, and then to offer to form a coalition Government when the time came. Mr Jagjivan Ram had not excluded even the Communist or Leftist parties in this scheme of things.

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**NAGA LEADER PHIZO REFUSES INDIAN CITIZENSHIP**

New Delhi PATRIOT in English 1 Mar 81 p 4

[Text] Kohima, Feb 28 (UNI) Mr A. Z. Phizo, self-exiled Naga leader, has taken the stand that he would accept neither Indian citizenship nor the Shillong accord as preconditions for talks with Prime Minister Indira Gandhi, it is reliably learnt.

Mr Phizo, who has been living in London for more than two decades, made this known when a Naga delegation met him in London recently.

The delegation, consisting of three former underground Naga leaders, returned here a few days ago after talks with Mr Phizo. The team members were Mr Zimiknao Ramyo, Mr Temjenba and Mr Biseto Madom Keyho.

The Shillong accord of 1975 envisages a settlement of the Naga problem within the Indian Union and allows "reasonable time" to the underground organisation to formulate their proposals for "a final settlement."

The Government of India recently made it clear that there could be no talks with Mr Phizo unless he accepts Indian citizenship, the Shillong accord and the Indian Constitution.

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## GANDHI REPORTED NOT EAGER TO MEET PHIZO ENVOYS

Madras THE HINDU in English 2 Mar 81 p 16

(Text)

IMPHAL, March 1

That Mrs. Indira Gandhi is in no hurry to meet the three Naga representatives, who are back after meeting Angami Phizo, the Naga rebel leader, shows that their preconditions for a peaceful settlement of the Naga issue are not acceptable to New Delhi.

State Minister Khyen "Home Minister" of the Naga "Federal Government" I. Tamsenba, "Secretary" and Zimik Ramyo, a signatory to the Shillong accord had gone to London on January 10 to persuade Phizo to involve himself in the peaceful solution of the Naga problem within the framework of the Shillong accord. (This accord envisages that Naga problem will be solved within the constitutional framework).

Phizo has so far refused to comment on this accord although he has been criticising those who have endorsed the provisions of the accord. However, the followers of Phizo have been working overtime for a speedy solution of the Naga crisis.

On June 14, 1977, the then Prime Minister, Mr. Morarji Deas had agreed to meet Phizo in London. However, the talks were cancelled after the first round charging that Phizo clandestinely tape-recorded the whole proceedings. It transpired that Phizo later distributed copies of the tape to his followers for his own political ends. Throughout the interview Phizo pleaded for a sympathetic consideration of the Naga cause. Mr. Deas is recorded as having said that the common Nagas were not suffering and that New Delhi would liquidate all Naga rebels.

After this incident a Home Ministry spokesman announced that there would be no further talks with Phizo. However, after some months New Delhi agreed to meet Phizo provided he complied with two preconditions. Phizo must agree to the undisputable fact that Nagaland is an integral part of India and that the question of an independent State is impossible. Secondly, Phizo,

who is a British citizen should become an Indian citizen to avoid internationalisation of the issue.

These are most impossible terms to Phizo who has been maintaining all his life that Indians are brutally occupying Nagaland. Furthermore he fears that if he accepts Indian citizenship he will meet the fate of Laldenga, the Mizo rebel leader who according to him has been holding peace talks on dictated terms.

For over three years it appeared that all peace talks were cold storages with each side sticking tenaciously to principles and preconditions. Tangkhul Murvah, General Secretary of the Naga National Council became increasingly concerned over the way the Naga movement was pitting out. Last year he gave the Naga movement an ideological colour and started killing Nagas who refused to recognise his leadership.

Zimik Ramyo, a signatory to the Shillong accord had a narrow edge escape when Murvah's gunmen attacked him last year.

It became increasingly clear that if a negotiated settlement was not brought about soon the suicide squad of the Murvah faction may eliminate the followers of Phizo. That is why they have been pressing for another round of talks with Phizo.

However, New Delhi is convinced that the problem cannot be solved by talking with Phizo alone. Because Murvah, like Bishowwar, leader of the People's Liberation Army says that he will not come to the negotiating table.

Meanwhile reports from across the international border indicate that Murvah and Bishowwar have joined hands in the Burmese jungle for a concerted onslaught. Security measures along the Indo-Burmese border have been tightened to meet any eventuality.

## ARMY REPORTS INSURGENCY IN MANIPUR CONTAINED

New Delhi PATRIOT in English 5 Mar 81 p 4

[Text]

GAUHATI, March 4 (UPI) — Insurgency in Manipur has been contained and there has been definite improvement in the situation in the State.

Top army sources said here today that most of the top leaders of the PLA rebel organization had been arrested and its chief, Bhowman Singh was on the run in the face of intensive combat operations by the army.

The sources said other rebel organizations, the PREPAK, had almost lost its unity in Manipur and most of its leaders had been held. The situation in the State capital had also improved a lot than what it was a few months back, the sources said.

The sources felt that the problem of Manipur rebels had ultimately to be solved at the political level and it might not be possible for the army to completely root out the rebel elements. It was a problem created by economic backwardness and unemployment, the sources said.

The sources did not rule out the hand of the PLA and other extremist elements of Nagaland and elements of Mizo in the recent incident on bomb blast at and extremist activities in Assam. The situation in Assam was, however, completely different from that of Manipur or other States, the sources said.

The sources said the situation in Assam was a political issue and the extremist activities like the bomb blast were mere handiwork of some rebel youngsters who might have got some help from the extremist elements in other States including Manipur and Mizoram.

The sources also claimed that the movement of underground from India to China had been considerably checked. Tension in the Indo-China border had also been reduced significantly following a change in the attitude of that country towards India, the sources said.

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## DELHI IMPOSES PRESIDENT'S RULE IN MANIPUR

## Background Given

Calcutta THE STATESMAN in English 28 Feb 81 p 1

[Text] New Delhi, Feb. 27.--President's rule in Manipur has become inevitable with the resignation of the Rishang Keishing Ministry today without facing a no-confidence motion in the State Assembly, according to sources, report PTI and UNI.

The Assembly which has adjourned sine die, the sources say, will be kept under animated suspension pending a regrouping of political forces to make restoration of a popular Government possible.

The report of the Governor, Mr. L. P. Singh, is expected here tomorrow for the Union Cabinet to take a formal decision.

The acceptance of the Ministry's resignation by the Governor, Mr L. P. Singh was announced in the House by the Speaker, Mr Y. Yaima, when the Assembly met today after a four-day break. The no-confidence motion was moved by the Opposition.

Mr Chaobia, the Opposition leader, has staked his claim to form an alternative Ministry with the support of 30 in a House of 59 sitting members.

He is however, not rated here to have the strength necessary to provide a stable Government in a State which has been declared a disturbed area.

The Assembly elections were last held in January 1980, along with the Lok Sabha poll and yielded a working majority to no party.

Mr R. K. Dorendra Singh was able to form a four-party coalition led by the Congress (I), and he stabilized his Government with two Ministry expansions and a controversial agreement with students on the "foreign nationals" issue.

The present trouble started with the forced resignation of Mr Dorendra Singh on November 27. Mr Singh is yet to take up his post as Ambassador to Norway and has made an unsuccessful attempt to bolster support for his successor after the Congress (I) was reduced to a minority in the Assembly on Monday when 10 members crossed the floor.

The 10 "defectors", including the State's Minister for Flood Control, Mr I. D. DiJuanang, and the Parliamentary Secretary Mr P. Achous Singh, will form the People's Legislature Party, which will function as a constituent of the Progressive Democratic Front, an Opposition combine in the Assembly.

The party-wise strength in the 60-member Assembly is: Congress (I) 29, Manipur People's Party 11, People's Legislature Party 10, CPI 5, Janata 2, CPI (M) 1, and Congress (U) 1. One seat is vacant.

Mr Keishing recommended animated suspension of the State Assembly while submitting the resignation of his Ministry. He addressed a Press conference at Imphal this evening. It was attended by Mrs Rajendra Kumari Bajpai, Congress (I) general secretary, and Mr R. K. Dorendra Singh, former Chief Minister.

Mrs Bajpai said toppling of a three-month-old Ministry by the Opposition was a "dirty game". Instead of blaming a new Chief Minister, it was the duty of the Opposition to give him more time to implement his programme.

The Manipur unit of the Communist Party of India today said it was not support a Congress (I) Government in Manipur "directly or indirectly". [as published]

In a statement here, Mr M. Ibohal, secretary of the State Council of the CPI, urged that the Opposition be given a chance to form a Government.

#### Proclamation Reported

Calcutta THE STATESMAN in English 1 Mar 81 p 1

[Text] New Delhi, Feb. 28.--Manipur has been brought under President's Rule and the State Assembly placed under suspended animation, report UNI and PTI. The President tonight issued a proclamation under Article 356 of the Constitution following a recommendation made by the Union Cabinet, which discussed the Manipur political crisis this morning.

The Governor of Assam and the North-Eastern States, Mr L. P. Singh's report that no party was in a position to form a stable Government formed the basis of the Cabinet's decision.

The announcement of President's rule was made after the two House of Parliament adjourned for the day.

A Government Press release said the Governor's report conformed to the recommendation of the outgoing Chief Minister, Mr Richang Keishing.

The release did not refer to the claim staked by the Opposition leader, Mr K. H. Chouba, to have used to form an alternative Ministry with 30 members who, he insisted, supported him in a House with 59 sitting members.

The release merely said the Governor had discussions with "some leaders of political parties also" after accepting the resignation of Mr Keishing's Council of Ministers.

Mr Keishing took office on November 27 after the forced resignation of Mr Dorendra Singh, who entered into a controversial agreement with students to settle the foreign nationals issue in the State.

Mr Keishing lost majority in the House on Monday when 10 Congress (I) members crossed the floor in the Assembly.

Mr Dorendra Singh, who is yet to take over as Ambassador to Norway, made an unsuccessful effort to restore support to the Keishing Government. Keishing resigned yesterday without facing a no-confidence motion.

The State was declared a disturbed area last year and the Army deployed there to deal with "insurgency".

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## MANIPUR POLITICIANS REPORTEDLY SUBSIDIZE EXTREMISTS

Calcutta THE STATESMAN in English 24 Feb 81 p 8

[Editorial]

[Text] In Manipur, India faces a challenge that will not be solved only by arms. This is not to question the need for the security measures that are rightly being taken, or the justification for arresting rebels who should long ago have been put out of harm's way. But such steps are most effective in situations where defiance is confined to a select band of men who can easily be identified if not apprehended. The Mizo National Front or Nagaland's federal army were, in a sense, localized groups whose depredations could be contained through military operations. But rebellion seems to be more diffuse in Manipur, with no clear line of distinction between secessionists, ideological militants, ordinary criminals and members of the public (including officials and politicians) who appear to make common cause with underground forces whether out of conviction or from expediency.

It is not enough in such a case only to single out the People's Liberation Army or the Prepak group, though all the evidence suggests that both have acquired a high degree of technical proficiency in guerrilla warfare and also boast sound organizations and command structures. [as published] Even Mr Bishweswar Singh's capture may not end the rebellion since a second-level leadership has apparently been trained to take over.

While the army and the various para-military forces in Manipur can cope with this threat, suggestions of public support--voluntary or under compulsion--are politically more disturbing. Rebel flags and posters would not have been displayed with such impunity if the police had not turned a blind eye to clandestine activities. Recent revelations, including the admission of a Congress(I) MLA who was formerly a deputy minister, indicate that many important politicians subsidize extremist organizations. Blackmail and coercion indubitably account for some of the funds, but it is also suggested that political aspirants find it useful to come to terms with underground groups for election canvassing and to settle scores with opponents. Such cynical arrangements are not unknown in other parts of the country; what makes them dangerous in Manipur are the implications and consequences of alliances between the guardians of legitimate governance and those who seek eventually to destroy it.

People who benefit from these pacts may not necessarily support rebel methods and aims, but probably sympathize with the basic cause of Mitei unrest. The latter's



rejection of Hindu cultural forms is seen as the outcome of comparison with the superior education and economic standing of Manipuri tribals (Mao and Tangkhul Nagas, Kukis and Mizos) who embraced Christianity instead of Vaishnavism. Lagging behind in the employment stakes, Meteis have also been denied the Scheduled Tribe privileges to which their state of development should logically entitle them. This socio-economic backwardness is identified with a religion that has now become synonymous with New Delhi's political authority. The simplification obviously owes much to the indoctrination received under Chinese auspices in Lhasa; PLA and Prepak leaders have also established contact with the Naga National Socialist Council operating from Burma and are reportedly trying to unite all north-eastern secessionist movements under a single command. While the exercise must be prevented, Meitei discontent merits a more mature long-term response. But the only alternative to force that the Centre could think of until recently was to pour in money without necessarily creating jobs or encouraging the State to develop its own resources. Plans for a hydro-electric project, paper mill and railway are more constructive signs, but much more investment will be needed to generate confidence and a sense of healthy self-reliance which alone will enable Manipuris to take full part in the nation's life.

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## CENTER DENIES TRYING TO DEPRIVE STATES OF REVENUE

Calcutta THE STATESMAN in English 2 Mar 81 p 1

[Text] New Delhi, March 1.--A spokesman of the Union Finance Ministry said today that there was no move on the part of the Centre to deny revenue due to the States, reports PTI. He denied that in giving fiscal concessions the Union Budget of 1981-82 was "liberal at the cost of the States".

He was reacting to a point made at a Press conference that the Finance Minister had merely raised the Customs levies not sharable with the States, while giving concessions to income-tax assesses and leaving the excise duty largely untouched in two major areas of revenue-sharing with the States.

"It is wrong to assume that the perceptions of the States are different from the Centre in a matter involving relief to income-tax payers", Mr G. Ramachandran, the Finance Secretary, said.

In fixing Plan outlays of States for 1981-82, the Planning Commission had assumed taxes, but fiscal concessions in the Central budget would still leave Rs 4,131 crores for transfer to the States, Mr Ramachandran estimated.

The States, therefore should have no difficulty in fulfilling their Plan programmes if only they fulfil their own resource-mobilization targets, he said.

The basic strategy of the Budget for 1981-82 is to promote investment and production, and encourage savings, spokesmen of the Finance Ministry said.

They claimed that there was "substantial recovery" of the economy towards the latter part of 1980-81 in respect of agriculture and industry, since the coal, power and transport position had greatly improved.

Referring to the Budget's impact on prices, the spokesmen--like last year--did not hazard a forecast. But they pointed out that the usual catalyst to prices was excise duties and this element was missing from the Budget presented yesterday.

The main taxation was in the form of increasing auxiliary duties on imports, and this was aimed at revenue collection and curbing imports to conserve foreign exchange. Certain essential imports like edible oils, kerosene and diesel had been exempted.

The impact of inflation had been taken into account: income-tax relief had been given to those whose incomes were below Rs 30,000 a year. However, it was pointed out that if various deductions were taken into consideration, such as allowances for long-term savings--the basic exemption limit would work out to Rs 24,000 a year and not just Rs 15,000 as had been provided in the Budget.

On the question of deficit financing, the spokesmen declined to make any forecasts. They, however, said that the deficit was less than that in the past two years. If the drawing down of the foreign exchange reserves were to be considered, there would not be any substantial increase in money supply which generally has an inflationary effect. The rise in auxiliary import duties should not have any significant impact on project costs.

They explained the change in long-term lending rates on the ground that these were vastly different from short-term rates, the difference being 6% to 8%. Financial institutions would not be able to afford the low rates. However, the cost to industry would not be much since interest charges could be deducted for income-tax purposes.

The changes in interest rates on deposits had been limited to those on three-year maturities, because it was felt that long-term savings should go in the Government ventures. Hence the new national savings certificate with a maturity of six years and an interest rate of 12%.

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## BENGAL POLICE ACT TO PUT DOWN NAXALITES

Madras THE HINDU in English 3 Mar 81 p 1

[Text] Calcutta, March 2.

The sudden resurgence of naxalite activity in north Bengal has placed the West Bengal Government in an embarrassing position. A massive combing operation is, however, said to have begun in West Dinajpur and Malda districts.

Last week a series of raids, said to be by naxalites, in various parts of West Dinajpur district had the police swinging into action, and some feel it was delayed. The number of guns snatched away during the week was 70 and on Feb. 22 alone 44 guns were taken.

Thirty-one persons have been arrested so far, according to a Government source. Two contingents of the Eastern Frontier Rifles have been sent to West Dinajpur district to help the police and senior officials of CID (Intelligence), are now camping in Raiganj, the district headquarters.

## 'Revolutionary Govt'

The raided villages are in the Itahar, Bangshihari and Kushmandi police station areas. The raiders were apparently acting under the banner of a "Revolutionary Peoples' Government". They are reported to have promised to return the seized guns after formally setting up a "Government".

The raids were all identical. Groups of between six and 10 people rapped on the doors of houses of gun owners, stormed their way in and fled after snatching guns and cartridges. They also shouted slogans like "Naxalbari zindabad", "Revolutionary Government zindabad" and "Gola kata cholchhe cholebe" (slitting of throats will continue).

Mr Jyoti Basu, Chief Minister, in his statement in the Assembly regretted the fact that the gun owners did not put up a fight. One reason for this could have been fear of reprisals. In fact, a report said a person who did fight was subsequently beaten to death.

## Police Had Warning

Naxalite or "suspected naxalite" activities have been reported from West Dinajpur and Malda districts for over a year. The police had a fair warning of things to

come when five undertrials were snatched from the police in Malda district in broad daylight a couple of months ago. Police camps were also raided.

The spurt in naxalite activity is suspected to be masterminded by the pro-Lin Biao group of CPI (ML) led by Mr. Ajiz Ul Haq and Mr. Nishth Bhattacharya. The operation is concentrated on a 40 sq. km. area in West Dinajpur district.

According to Mr. Satyabrata Basu, Inspector-General of Police, the names of around 120 suspects have been collected on the basis of investigations in Malda and West Dinajpur.

The latest reports indicate that naxalite posters have reappeared in and around Jalpaiguri town, headquarters of Jalpaiguri district. The posters claim responsibility for the arms snatching in West Dinajpur.

They say policemen will not be killed but snatching of arms from the military, the police and gun licensees will continue.

CSO: 4220

## NAXALITE GROUP LEADERS HOLD SECRET MEETING

Bombay THE TIMES OF INDIA in English 4 Mar 81 p 13

[Article by V. G. Prasad Rao]

[Text]

MADRAS, March 3.

**T**HE Naxalite movement is holding goodbye to the policy of individual liquidation of "class enemies", like politicians, for instance, and switching on to a nationwide mass agitation, according to available documentary evidence.

The leaders of 13 Naxalite groups met in a secret conclave from January 30 to February 2 and discussed "the present situation of the country". Though the "communiqué" issued at the end of the talks did not mention the place, they were believed to have taken place somewhere in Bihar.

In a right-about turn, the Naxalite leaders unanimously called on the people "to unite to oppose the autocratic Indira government and to march forward to build a new democratic India". However, there was nothing to show that the Naxalites planned to give up extremist methods and violence.

## CHANGE OF METHOD

This would seem to explain the activity of the Naxalite groups in West Bengal which are engaged in collecting fire-arms from "class enemies" without, however, going out of the way to hurt them.

The secret meeting of the Naxalite groups was held "in a most warm and comradely atmosphere and the participants exchanged their opinions in a free and frank manner."

"The meeting paid homage to comrade Kannamati and other martyr comrades, who have laid down their lives for the cause of the Indian people".

Mr. Kannamati, who was mentioned by name in the communiqué, was the leader of the dominant "substitutionist" group in Tamil Nadu. He

was killed in a police encounter near Vairamudi in North Arcot district in December.

The leaders of the Naxalite groups, some of which hitherto have not come eye to eye with one another, hailed the "rising waves of the struggle of the Indian people all over the country" and expressed firm determination "to lead them towards a revolutionary orientation."

## 13 GROUPS

The 13 groups that attended the secret meeting were the Liberation Front, the United Communist Revolutionary group, the United Communist Revolutionary group reorganisation committee led by Mr. Mohd. Roy, the reorganisation committee CPI (ML), the Marxist Communist Centre, the Unity Organisation CPI (ML), the Central Organising committee CPI (ML), the West Bengal state committee CPI (ML), the state committee CPI (ML), Tamil Nadu, the PCC CPI (ML) led by Mr. S. N. Singh the C.C. CPI-ML (People's War) the C.C. CPI-ML led by Mr. C. P. Reddy (Andhra Pradesh), and the C.C. CPI-ML led by Mr. Vinod Mishra of Bihar (annihilationist).

While the only active Naxalite group in Tamil Nadu is underground, the situation is quite different in Kerala and Andhra Pradesh. In these two southern states, Naxalite factions are engaged in open operations—like any conventional political party—with their leaders addressing public meetings and gatherings.

Despite the death of Mr. Kannamati, called "leader" by his followers, the group continues to function, though on a low key. His position has now been taken over by his brother-in-law, 24-year-old Mr. R. Dhanapal.

Mr. Dhanapal and Mr. V. M. K. Chandrasekaran, party theoretician, are believed to have attended the secret meeting of Naxalite leaders. Mr. Dhanapal is referred to as "deputy" by the group, which considers Mr. Kannamati as the "leader" though dead.

A more elaborate document issued in Tamil—based on the brief "communiqué" of the leaders' meeting—spells out the new Naxalite policy clearly. It calls on the people to oppose the National Security Act and the Essential Services Act and "intensify the struggle" to get political prisoners released and to safeguard the people's rights.

## BORDER DISPUTES

It calls for opposition to the "Indo-Soviet military pact" and India's policies relating to other nations, especially Pakistan. It wants border disputes with all countries, including China, to be settled peacefully.

The Naxalites now want to organise massive protests against price rise, high taxation and unemployment and in favour of the demands of labour, agriculturists, students and intellectuals.

It wants "liberation of classes 'suppressed on the basis of caste' and announces the Central government of supporting "big landlords and industrialists".

Significantly, the Naxalites now want students, teachers, peasants, workers and artists as well as "government servants, small industrialists and Indians abroad" to join their struggle.

The Naxalite activity in North Arcot district has by and large been contained, according to police sources here. Police contingents are still stationed in the Tirupattur-Dharmapuri area. They are now hunting for "deputy" Dhanapal.



## WEST BENGAL CONCERN OVER NAXALITES 'UNDERSTANDABLE'

Calcutta THE STATESMAN in English 2 Mar 81 p 8

[Editorial]

[Text]

The West Bengal Government has understandably expressed grave concern over the looting of about 70 guns by Naxalites in West Dinajpur district in north Bengal. This is probably the most serious incident of its kind in the State; even in the late 1960s when Naxalite depredations were much more frequent no incident of this magnitude had been reported. It suggests that the Naxalites have been able to establish a fairly effective organization in that area. The police, as before, have been caught napping. Although there were three police camps in the locality, they were unable to prevent the incidents which took place within a space of three days. Had the police been more alert after the looting of 44 guns on the night of February 22, it might have been possible to prevent the subsequent attacks. The apparent failure of intelligence is surprising: the Naxalites are known to have been active in the area for quite some time. Several murders had been committed; the Naxalites had even been bold enough to snatch away five undertrial prisoners from police custody in Malda district in broad daylight. In January, Mr Jyoti

Basu said that the Government was keeping a close watch on the activities of the Naxalites; evidently, it was not close enough.

In his statement last Thursday, the Chief Minister wondered why the gunowners did not put up any resistance. The reason presumably is that they were too scared. Reports suggest that the Naxalites have succeeded in terrorizing the local population to such an extent that they are reluctant even to talk about the attacks on their houses for fear of brutal reprisals. One man who offered some resistance was beaten to death. Apparently, the local people do not have sufficient faith in the ability of the police to track down the raiders. It is only now that the administration has woken up to the need for restoring confidence by despatching para-military personnel to the area. The authorities in West Bengal have rightly decided to act in close concert with the Bihar Government. According to the Union Minister of State for Home, Bihar is one of 11 States where the Naxalites have lately become active. According to the Bihar police, one of the Naxalite groups has been responsible for more than 50 murders in

Bhojpur alone in the last two years.

Among the other States are Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Punjab, Rajasthan and Manipur. For a time, Tirupattur in Tamil Nadu was the scene of several murders. Only recently has the situation been brought under control. Administrative measures in Andhra Pradesh seem to have yielded some results, but some Naxalites appear to have fled to Bastar in Madhya Pradesh where they are said to have established a base by trying to ensure higher wages for forest labourers. Their strategy everywhere seems to be to enlist the support of the young among the desperately poor rural communities, indoctrinate them with their own versions of Marxist-Leninist theory and lead them to acts of violence. Recent developments cast doubt on the belief that sharp divisions among the Naxalites (there are said to be 27 groups) have made them impotent or harmless. Apparently there is still a determined group of hard core elements adhering to the old party line, as indicated by the slogan raised in West Dinajpur that the "slitting of throats will continue".

## URS ADDRESSES CONGRESS(U) COMMITTEE MEETING

New Delhi PATRIOT in English 28 Feb 81 p 7

[Text] Congress-U president Devraj Urs on Friday called on his partymen to build up the organisation as a strong and credible entity which could play an important role in the future of the country.

Delivering the presidential address at the two-day session of the All-India Cong-U committee at Vithalbhai Patel House, Mr Urs said the party would have to learn how to be an effective Opposition to fight the erosion in democratic norms and save the country from brinkmanship.

Despite the results of the last general elections, it would be rash to conclude, he said, that there had been a return to single party dominance. The country, he said, was more likely to see an era of coalition governments.

In a 23-page speech, which he began in Hindi and continued in English, Mr Urs analysed the social, economic and political situation in the country and expressed concern at what he said was Government's failure to deal with issues as urgent as the Gujarat and Assam crises and the setbacks in international affairs.

Mr Urs warned against attempts to weaken the federal structure of the Constitution and said political stability in the country would improve with decentralisation.

In the recent trends towards the concentration of all powers in New Delhi, Mr Urs said, the checks and balances devised by the founding fathers of the Constitution had been eroded and let to fall into disuse. The slogan of the presidential system of government that was being raised by the ruling party was not the answer, he said. India already had an excellent democratic system.

Mr Urs called for far-reaching electoral reforms and appealed to the President to set up an all-party commission to implement the process of electoral reforms and to work out details as early as possible.

Mr Urs said that more emphasis on the unitary features of the Constitution than the federal features had failed to achieve the socio-economic objectives of growth, equitable distribution and of reducing economic inequalities. Successive plans had not achieved their targets because of over-centralisation of political and economic power.

He said decentralisation did not mean a weak Centre nor should small units of panchayati raj be seen as creating weak States, and thereby a strong Centre. Good examples of compact administrative units would be Punjab, Haryana, Kerala and Karnataka.

Mr Urs said viable and efficient units of administration, increased flexibility in financial management, democratic participation and cultural synthesis would make for strong States as much as a strong Centre.

He said federalism had been weakened not merely by misuse of Article 356 of the Constitution for party-political ends but by the dangerous doctrine introduced by the Janata government and repeated by the Cong-I that earlier elected State Assemblies must be compatible with the verdict of the electorate in any ensuing Lok Sabha poll or face dismissal. The rider that State governments must follow the Centre in development policy marked another attack on the federal principle.

CSO: 4220

## CONGRESS(U) COMMITTEE APPEALS TO 'DEMOCRATIC' FORCES

Calcutta THE STATESMAN in English 28 Feb 81 p 9

[Text] New Delhi, Feb. 27.--The All-India Congress (U) Committee at its session here today adopted a resolution appealing "to all the democratic forces in the country to rally round and accept the challenge of threat to democracy". It asked "all Congressmen to rededicate themselves to the cause of democracy, secularism and socialism and to mobilize all sections of the people by identifying with their democratic struggles."

The resolution, moved by Mrs Tarakeshwari Sinha, and seconded by Mr P. R. Das Munshi, said "all democratic forces in the country" should realize that the "present drift in the political situation" could be halted.

The resolution said it was most unfortunate that "some Left Parties are behaving in some parts of the country in a manner which is weakening the desirable goal of unity of democratic forces to resist the onslaught of the undemocratic regime". What was needed was an understanding among the progressive and democratic forces in the nation.

While Mr Jagjivan Ram, who was given a special seat of honour on the rostrum, expressed himself against Opposition parties coming together to form one party and said that there could be joint action on the basis of a commonly-accepted programme, others felt differently on the subject.

Mr Shankar Dayal Singh (from Bihar), for example, thought that the Congress (U) should not equate itself with "other parties". He suggested that it was only "like-minded" parties who should get together. In this connexion, he mentioned the Janata Party and suggested that an appeal should be made to all those who had left us to return. He pointed out that Dr Karan Singh and Mr Chandrajit Yadav, for example, "are great assets of this party, who have left us out of a sense of sorrow and if they wish to return, we should welcome them back to our fold."

For the rest the main focus of the debate on the resolution was on "the sinister motive of Mrs Gandhi's regime behind the weakening of the democratic institutions and its efforts to make democracy appear irrelevant and incapable of facing the challenges of change". The speakers pointed out that "it is to divert the attention of the people from the burning issues of the day that a section of the ruling party has started the talk of replacement of parliamentary system by the presidential system of Government, and the Prime Minister has urged for a national debate on this issue." They said that the recent promulgation of repressive measures, like the National Security Ordinance, and measures to suppress democratic movements of the masses added up to a dangerous drift towards authoritarianism.

## DEMOCRATIC SOCIALIST FRONT RELEASES PROGRAM

New Delhi PATRIOT in English 5 Mar 81 p 7

[Text] Mr H N Bahuguna said in New Delhi on Wednesday that 'unless a broadbased democratic front leaning left of the centre and closely cooperating with the Left parties comes into being at the national level, the people will not accept an amalgamation of parties at Delhi'

Mr Bahuguna was releasing the policy statement, programme, objectives and constitution of the Democratic Socialist Front after a three-day session held in the Capital.

He said he was not averse to a coalition or a united front but was not prepared to undergo the sad experience of the Janata days. That is why, he was stressing on the policy and programme of the front he had envisaged. He said he had had preliminary discussions with several political parties on the subject.

As for the DSF, he underscored that it was not a party but a front which 'does not seek political power for itself, nor does it look upon political power as an objective for its own sake.' The DSF National Council had met for three days (on 28 February, 1 and 2 March) and after almost 28 hours of discussions evolved the guidelines of the Front's organisational functioning.

The DSF sought to be a 'catalyst' to a wide and not a narrow political movement-- a 'movement for social reform, cultural renewal, for a new value system for economic reconstruction, for creating a politics created by the spirit of self-sacrifice, for a truly independent and sovereign India, free from unequal social and economic structures.'

In this endeavour it welcomed 'individuals, groups and political parties to support the Front in furtherance of the movement.'

The objectives of the Front included: strengthening of inner-party democracy to preserve, promote and safeguard parliamentary democracy; effective decentralisation of both political and economic power by decentralising political authority in its own working; protection of our polity's federal character by not merely sharing political and financial powers between the Centre and the States but by earmarking these powers from village upwards to the Centre; total and effective autonomy to universities by entrusting running of education at all levels to autonomous boards comprising academicians; reorientation of educational system



in accordance with free India's needs by doing away with the dual educational system based on money power, eliminating all communal references in text-books and removing the distortions of Indian history with a view to build a secular polity; provision of fullest and equal opportunity for growth to every child irrespective of his or her financial or social status; guaranteeing right to work by the Constitution; overhaul of present administrative system to give way to a new system based on field experience and supervision and guidance of bureaucracy; equipping public sector or economic and financial institutions with professionally trained personnel instead of the present methods of dumping political favourites; restoration of primacy of the importance of planning as a process of self-reliant development specially geared to elimination of poverty, unemployment, regional disparities, concentration of economic power; creation of an effective machinery for participation of labour at all decision-making levels in industry in general and public sector in particular; further strengthening and not weakening as at present of the Foreign Exchange Regulation Act in opposition to concessions to foreign capital in the name of export promotion, and in furtherance of foreign exchange conservation as well as avoidance of imports in areas in which indigenous capacities have been developed; land reforms and suitable legislative action to provide security of tenure alongwith effective and statutory ceilings on incomes and assets; provision of a mechanism with a view to ensure fair price to producers on the one hand and reasonable prices to consumers on the other; stringent enforcement of law abolishing bonded labour by providing work and home sites to this class of people; sharpening of the weapon of non-alignment not as a concept of neutrality but as an active force against neo-colonialism, racialism and imperialist aggression, for world peace and as an instrument of self-reliant development; full powers to the Election Commission for its conversion into the final authority wielding full control over matters relating to elections of Parliament, assemblies, councils, local bodies and even village panchayats to make democracy meaningful and operative and to eliminate the evil influence of money power. [as published]

#### Front's Aims

The constitution of the DSF highlights the Front's aim to (a) establish a socialist society in India by democratic means and processes within the framework of the parliamentary system and through the unity of all secular, democratic, socialist and progressive forces in the country; (b) work for advancement of human values; (c) support of all anti-imperialist, anti-colonial, anti-racialist forces and struggles; (d) defend world peace by cooperating with all peace-loving people and states of the world. [as published]

The Constitution provides for two sets of members: (i) affiliated and (ii) individual. The affiliated members would comprise of members from political groups and organisations, trade unions, professional organisations, secular-democratic-socialist-progressive bodies, cooperative societies and kisan organisations.

The Constitution highlights that "inner-party democracy shall be the guiding principle for functioning of the Front", but "factionalism and factional groupings inside the Front in any form is impermissible and shall be treated as violative of discipline".

CSO: 4220



## AICC(U) PLENARY SESSION SCHEDULED FOR MAY

Bombay THE TIMES OF INDIA in English 3 Mar 81 p 7

[Text] New Delhi, March 2.

The plenary session of the AICC (U) will be held, after all, at Aurangabad in Maharashtra in the last week of May.

The Congress(U) working committee, which had decided in August last upon Aurangabad as the venue, today unanimously reiterated this decision.

As Mr. Devraj Urs, party president, put it, the issue was being reopened at this emergency meeting because of the noisy scenes witnessed on both days of the two-day session on the choice of the venue.

While Mr. Y. B. Chavan is understood to have said that all concerned would accept any decision taken by the working committee as "disciplined congressmen," Mr. Sham Dhar Mishra, UPCC(U) president, reportedly proposed that the venue be shifted to UP because the state was backward and no plenary session had been held after the one in Meerut in 1948. But the unanimous choice was Aurangabad.

One source said Mr. Jagjivan Ram voiced his displeasure over the dragging in of his name and that of his son in the controversy over the venue.

At one stage, Mr. Ram is believed to have praised Mr. Suresh Ram for the work done by him as an MLA and AICC member and said that the younger party workers compared his son with the late Mr. Sanjay Gandhi.

Mr. Raj Bahadur and Mr. Nathu Ram Mirdha, both of whom hail from Rajasthan, supported Aurangabad as the venue and suggested that there should be unanimity in electing the new party president also at that meeting.

It is understood that the tone and tenor of Mr. Jagjivan Ram's observations at today's CWC(U) meeting gave an indication that he was a candidate for president-ship and did not want to be counted out.

However, as political observers see it, the Jagjivan Ram-Shyam Dhar Mishra axis might not be able to function effectively if it is true that Mr. Urs has accepted Mr. Mishra's resignation as the UPCC(U) president.

CSO: 4220

## CPI(M) TO STRENGTHEN UNITS, PREPARE FOR CONGRESS

Calcutta THE STATESMAN in English 25 Feb 81 p 16

[Text] The West Bengal Committee of the CPI(M) has decided to lay stress on the review of political and organizational campaigns of the party at all levels so that local experiences can be shared by members in general. It is felt that such collective experience can benefit the party's branches which are organizationally weak.

According to Mr Promode Dasgupta, secretary of the State Committee of the CPI(M), the issue was discussed in detail at the four-day meeting of the committee which concluded on Monday. The meeting, presided over by Mr Benoy Chowdhury, was attended by the general-secretary of the party, Mr E. M. S. Naboodiripad, who explained the decisions taken at the last meeting of the central committee to the State committee.

Mr Dasgupta told reporters in Calcutta on Tuesday that the central committee had tried to ascertain why the party's organizational success in West Bengal, Tripura and Kerala had not been reflected in other States. [as published] During the discussion it was felt that the party would fail to expand in other States if the experience gained in West Bengal, Tripura and Kerala was not spread to the party's organizations in other States. Such sharing of experience would require a prompt and detailed review of the reasons for the success or failure of movements organized by different committees. It was only by sharing experiences that organizationally weaker branches of the party would be able to strengthen themselves.

The State Committee had accordingly directed all district committees to prepare reports regarding the extent of implementation of the Salkia plenum's recommendations, Mr Dasgupta said. The report, which would have to be sent by June, should contain a review of the political campaigns and strength of the mass organizations. Asked if he was satisfied with the present organizational strength of the party in the State, Mr Dasgupta replied that a Communist was never satisfied and that was why renewed emphasis was being laid on strengthening the organization.

He said the committee had decided to raise the membership strength of the party's peasants' organization in the State from 3.2 million to five million, that of the trade union from 650,000 to one million, the youth front from 750,000 to one million, women's front from 500,000 to 700,000 and that of the students' organization from 225,000 to 400,000. The State party had a membership of 72,000 and the current year's additional membership target would be fixed after the

renewal of the membership was completed in March. At present, the State Committee was making a scrutiny of the party membership and apart from the usual class compositions, the district committees had been asked to send the numbers of Scheduled Caste, Scheduled Tribe, Muslic, women and student members in the districts. Preparations for the party congress, scheduled to be held early next year, would begin in July, Mr Dasgupta added.

The State Committee directed the district committees to take the initiative for the formation of Left Front committees at the district level. Such committees were yet to be formed in seven districts in the State. Preparations for 1964 Assembly by-elections and municipal election would begin after formation of the committees. The CPI and other individual democratic elements would be the Left Front's allies in the municipal election, Mr Dasgupta added.

CSO: 4220

## VAJPAYEE URGES DIALOG ON RESERVATIONS ISSUE

Bombay THE TIMES OF INDIA in English 28 Feb 81 p 1

[Text] Ahmedabad, February 27.

The Bharatiya Janata Party president, Mr. Atal Behari Vajpayee, today stressed the need for a dialogue between the government and the opposition on the entire "reservation" issue for evolving a national consensus.

Mr. Vajpayee, however, made it clear that his party was committed to reservation for backward classes in legislatures, services and educational institutions. But if the present situation, which had become "explosive," was not handled tactfully there was a possibility of the trouble spreading to other parts of the country.

Mr. Vajpayee, who along with Mr. L. K. Advani and Mr. Suraj Bhan, toured several areas of the trouble-torn state, told newsmen that as an alternative, the Union government should evolve a formula based on the Prime Minister, Mrs Indira Gandhi's recent statement in Parliament that her party was committed to reservation for backward classes but merit should not suffer.

About the present situation in the state, Mr. Vajpayee who had called on the chief minister, Mr. Madhavsingh Solanki today, said the state government should immediately resume talks with the agitating medical students as the differences between the medical students and the government had "narrowed down."

Mr. Advani said though the government and the medical students had arrived at some understanding on two issues of "carry forward" and "interchangeability," there remained differences over the "roaster" and "registrarship" issues. If these anomalies were removed, there was every possibility of the medical students calling off the agitation.

The BJP leaders blamed the state government for its "inept" handling of the situation which had transformed itself into a "class conflict." The state government's propaganda machinery, instead of doing any good, had harmed the very purpose.

Mr. Vajpayee said he had received complaints from various quarters about the visit of the Union minister of state for home, Mr. Yogendra Makwana, who had delivered an "inflammatory" speech at a meeting. [as published] Looking at Mr. Makwana's performance in Delhi, he had no reason to "disbelieve" these complaints.

Mr. Vajpayee described as baseless the allegation about his party's involvement in the present agitation in the state and said that when the chief minister's attention was drawn to this, the chief minister said that "some" BJP workers ~~were~~ involved. Mr. Vajpayee said when asked to substantiate the allegation, the chief minister did not give any answer.

CSO: 4220

## WRITER EXAMINES RECORD OF WEST BENGAL MARXISTS

Bombay THE TIMES OF INDIA in English 28 Feb 81 p 8

[Article by Sivadas Banerjee]

[Text] Calcutta: Ministerial circles in West Bengal blame the bureaucracy for the lacklustre performance of their own government during the last one year. Since Mrs. Gandhi's return to power at the Centre, they say, it has become virtually inert.

An opposite view is that the conservation character of the CPM leadership is really responsible for this sorry state of affairs. Its protagonists argue that the CPM cannot pin the blame on the bureaucracy or the system since the party is not only the dominant constituent of the ruling coalition but also commands a majority in the legislature by itself. The middle level of the administrative hierarchy remains as apolitical as ever. The real snag is the lack of drive and initiative at the ministerial level.

Be that as it may, the state government, which will complete its fourth year in June, has to its credit fairly impressive achievements in the rural sector. These include large-scale registration of sharecroppers through "operation barga", enforcement of a minimum wage for farmhands, significant extension of credit to the poor farmers (especially registered sharecroppers) and efficient operation of the national rural employment (formerly food-for-work) programme.

Even then a question may be asked as to why the sharecroppers' enrolment, which was initially meant to be completed in a year, still remains at the half-way stage. Similarly, only one-third of the beneficiaries from among the poor section of farmers in the first year have been sponsored for bank credit in the second year of the scheme. Panchayats are in charge of the programme.

In the first few months of the left front government, individual ministers were left virtually free to initiate various schemes. But when the government ultimately drew up a blueprint for development, it was discovered that certain departments had already gone ahead in directions not quite in conformity with the emerging perspective. As a result, the time left for showing perceptible results was too short.

## Traffic Dislocation

This probably explains the present rush in certain directions. In south Calcutta, for instance, a number of roads are being remodelled, widened or fitted with new sewers, causing serious traffic bottlenecks. This is in addition to the dislocation and discomfort being caused by the tube rail project. At the same time, the government's drive to clear pavements of hawkers has fallen through after a few sporadic moves because the ruling front's activists, especially those of the CPM feel that the whole project is "Gandhian".

That is not all. The requisite coordination seems to be lacking at both the political and administrative levels. Without it, the sharecroppers and the poor farmers can hardly hope to have access to institutional credit, for example. But, despite the left front's professed aim to free them from the clutches of the rich rural moneylenders, progress in that direction has been tardy.

The reasons are not far to seek. The rural rich continue to dominate the panchayats in many villages even though they are nominally controlled by the left front parties, if not the CPM itself. The enthusiasm of the rank and file for "operation barga" started tapering off after the second year. The same thing happened in respect of other programmes. [as published] In the result, the task of restructuring the rural economy remains unfinished. This is not to deny that the poor still regard the left front government as their "friend".

The government's measures in the field of education have fared no better. Too many things were sought to be done in too short a time and without proper preparation. Even the ministers were left in the dark about some of the far-reaching moves. A few examples are the introduction of a new syllabus in the primary classes, replacement of Rabindranath's "Sahaj Path" and abolition of English as the medium of instruction at the primary stage. It is only because the opposition is fragmented that protests are still ineffective.

The sympathisers of the left front are frankly puzzled. No one can doubt that the ministers, by and large, are men of integrity. What has happened to sap the will and the determination that marked their efforts to tackle the problem created by the devastating floods in 1978?

Evidently, even men like the chief minister, Mr. Jyoti Basu, the land reforms minister, Mr. Benoy Chaudhury, the finance minister, Dr. Ashok Mitra, and the urban development minister, Mr. Prasanta Sur, are now unable to act decisively and inspire their colleagues.

### 'Operation Barga'

Besides, the rich farmers have begun to assert themselves in the councils of the CPM. At a recent "operation barga" camp in Hooghly district (a bastion of the CPM and its kirshak sabha), for instance, the participants demanded compensation for the increased prices of farm inputs, especially fertiliser and diesel, while insisting on higher prices for their produce. The main purpose of making "operation barga" a success was forgotten in the clamour.

The way the left front sought to deal with the recent agitation against the hike in bus and tram fares was even more symptomatic of its waning political will.



The front committee, which endorsed the move, had directed the city units of the constituent parties to start immediately a campaign explaining why and how the increase in fares had become imperative. In the absence of the chairman, Mr. Promode Dasgupta, who was away in Vietnam, Mr. Basu presided at this meeting. But nothing happened for the next ten days, though the opposition-sponsored agitation plainly gained momentum. It was only after Mr. Dasgupta's return from the tour that the local committees were activated to launch the campaign. Once this happened, the agitation tapered off.

Most of the ministers do not do their homework and depend on Mr. Basu to help them out. This has left him little time and energy to concentrate on giving his government an overall direction and perspective. The single biggest problem he is confronted with is the continuing crisis in the power sector. Erratic power supply has disrupted industrial production and made life extremely unpleasant for large sections of the urban population, particularly in Calcutta.

As regards the bureaucracy, the departmental secretaries, barring a few, do not seem to have even a full day's work, thanks to compartmentalisation of the administrative machinery. Indiscipline has been rampant. All this has affected administrative efficiency and consequently the government's overall performance. The chief minister's promise of giving a clean and efficient administration thus remains a far cry.

CSO: 4220

## REPORT ON GANDHI'S 26 FEB SPEECH TO LOK SABHA

Calcutta THE STATESMAN in English 27 Feb 81 pp 1, 9

[Text] New Delhi, Feb. 26.--Mrs Gandhi's 45-minute reply in the Lok Sabha today to the five-day debate on the President's Address was notable for her appeal to the Opposition for cooperation and for consideration of all problems in a larger context.

"Can we not give this a trial", she asked. For, in that case, she had no doubt that the country would overcome all its problems. The Prime Minister said she had no quarrel with the Opposition parties. "I wish them well, she added. [as published]

Mrs Gandhi said she had no desire to dwell on the past or to seek to score debating points over the Opposition. She, however, said the Janata and Lok Dal Government's performance was indeed "non-performance or misperformance".

Even the Bhaskara satellite sent into space--during what she called the Janata-Lok Dal interregnum--"refused to send back information", she noted amid laughter.

She said her Government had set the country in the right direction once again in every sphere.

Despite refutation of Opposition claims and assertion of her Government's performance, with an impressive array of statistics, Mrs Gandhi's speech was a low-key one and far from aggressive. It sounded conciliatory and was, besides, laced with humour.

An anecdote from the pre-independence era which she narrated had the entire House roaring with laughter.

UNI adds: Mrs Gandhi appealed to farmers and workers not to be misled by interested political parties hindering economic recovery by instigating agitations. She referred to the decline in the number of mandays lost last year and regretted that the Opposition was trying to foment unrest in the industrial and farm sectors.

## Assam

Referring to the Assam tangle the Prime Minister deplored that one party, "which called itself national", was openly supporting the agitation against foreign nationals there.

Tracing the efforts made by the Government to solve the problem, she said it would give no quarter to terrorist or secessionist activities and would not flinch from its determination to protect the religious and linguistic minorities and tribals.

Expressing anguish at the anti-reservation violence in Gujarat, she reiterated the Government's "moral responsibility and constitutional obligation" to promote the educational advancement of the Scheduled Castes and Tribes. "We intend to discharge this responsibility in full measure".

She referred to "gloomy forecasts" made on the eve of the conference of non-aligned nations in New Delhi. Scoffing at the criticism that India had lost grounds at the meeting, Mrs Gandhi said: "Our perception of the Afghanistan problem and our approach to its solution have been commended by participants and other world leaders".

Without mentioning Diego Garcia specifically, Mrs Gandhi observed that simply because a particular matter was not referred to in the document, it did not mean that "the national stand" had undergone a change.

Mrs Gandhi rejected the criticism that the process of normalization of relations with Pakistan had received a set back after her Government assumed power. Recalling that it was her regime that had taken the initiative for the "historic" Simla agreement, she criticized the Janata-Lok Dal Governments for their forsaking national interest and signing a "bad" agreement with Bangladesh on Ganga waters. "The port of Calcutta had been starved of its legitimate water requirements under this agreement", she said.

The Lok Sabha adopted the motion of thanks, by voice vote after Mrs Gandhi's speech.

There were protests when the Prime Minister criticized the West Bengal Government for its interference in the affairs of higher institutes of learning and the proposed takeover of some institutions run by the Ramakrishna Mission. She, however, did not press her charge when Mr S. S. Chakravarty (CPI-M) protested saying that "all this is untrue".

She criticized the State Government for its tardy procurement drive and commented: "I hope this is not according to some plan of theirs".

The Congress (U), its draft political resolution which was discussed by its Working Committee today, described Mrs Gandhi's appeal to the Opposition as "hollow".

The Working Committee also finalized a draft resolution on the economic and international situations. The economic resolution blamed the Government for having failed to implement its pledges.

CSO: 4320

BIHAR ORGANIZATIONS PLAN ANTI-GANDHI MOVEMENT

Calcutta THE STATESMAN in English 25 Feb 81 p 13

[Text] Patna, Feb. 24.--Thirteen militant organizations mainly concentrated in Bihar, have decided to launch a countrywide movement against the "autocratic Government of Mrs Gandhi" on the basis of a 13-point common programme, reports UNI.

Mr S. N. Sinha, general secretary of the CPI(ML), which is a party to the 13-point programme, told a Press conference here yesterday that a decision to this effect was taken during a three-day meeting of these organizations which concluded here on February 2.

Mr Sinha said the movement had become necessary as the country's sovereignty had been threatened because of the wrong policies of Mrs Gandhi and the growing Russian influence in the subcontinent.

Stating that the Russians had been successful in dividing the Opposition and tilt "a section in favour of Mrs Gandhi", he said the formation of the front was part of the Soviet conspiracy to protect its interests. He alleged that Mr Madhu Limaye, Mr Rajeswar Rao and Mr Namboodiripad had been "hobnobbing" with the Russians for this purpose. [as published]

The proposed movement would also aim at releasing political prisoners, opposing the National Security Act and the "Indo-Soviet military treaty."

Mr Sinha said the CPI (ML) would oppose tooth and nail any bid by the Union Government to topple the non-Congress (I) Governments in the State. His party was, however, opposed to the style of functioning of the Governments in West Bengal, Kerala and Tripura.

CSO: 4220

## PAPER GIVES BACKGROUND OF GUJARAT AGITATION

Calcutta THE STATESMAN in English 23, 24 Feb 81

[23 Feb 81, p 9]

[Text] Ahmedabad, Feb. 22.--The Deep resentment among students and employees against the system of reservations, somewhat misleading propaganda about the effects of reservations, and a growing awareness of their rights and increasing militancy of Scheduled Castes are some of the factors responsible for the month-long trouble in Gujarat. The anti-reservation agitation might assume alarming proportions if the Government does not handle the issue tactfully.

The machinations of politicians, belonging to both the ruling party of the State and the Opposition, are also in no small measure responsible for the violence that is rocking the State and now assuming over casteist overtones. [as published] The agitation had been launched with the purpose of abolishing reservations for Scheduled Castes and Tribes and other backwards classes in post-graduate medical courses; but now the demand has grown far beyond the confines of post-graduate medical courses and attempts are being made to encompass the reservation system in the country.

The Students' Anti-Reservation Action Committee has announced it will launch a new struggle on the lines of the Nava Nirman movement which six years ago culminated in the toppling of then Gujarat Government and ultimately led to the formation of the Janata front. The Unreserved Employees' Confederation of Gujarat has already launched its anti-reservation struggle by holding demonstrations. Student committees have been formed in each district and block and their demonstrations invariably turn violent.

The signs are unmistakable. The movement is catching the imagination of students as well employees everywhere. Bitter resentment against the system of reservations found among almost all students may find violent expression in the movement if steps are not taken soon to stem the tide.

However the anger of high caste Hindu students stems rather from passion and casteist inclination than from reasoning and fact. That is why agitating students do not discuss facts or statistics but talk of "improving the quality of medical education" to defend their action.

To begin with, medical students and junior doctors in Ahmedabad demanded the abolition of the carry forward system in reservations for post-graduate medical

courses. These reservations were introduced in Gujarat in 1975. Accordingly 25% seats were reserved--7% for Scheduled Castes, 13% for Scheduled Tribes and 5% for other backward classes.

The Carry forward system was introduced in 1978. Under this system, unclaimed seats in the reserved quota are open for general distribution and a number of unclaimed seats are carried forward to the next year to add to the annual reserved quota.

According to the roster system devised for fixing reservations, this year in B. J. medical college, Gujarat, a post-graduate seat for pathology was allotted to a Scheduled Caste student. However, a student from the general quota, who is polio stricken, applied for the seat on grounds of health. Obviously, he did not get it as it was reserved. This was the beginning of trouble.

Students felt a brilliant handicapped student had been denied a seat because he is a caste Hindu. Resentment built up and soon the demand was made for scrapping the carry forward system. Agitating students and even a BJP legislator said that if the carry forward system was continued, in two years 80% of all seats would go to the reserved quota.

The fact is quite otherwise. The Gujarat Government resolution of November 24, 1978, makes it clear that reserved vacancies are to be carried forward only for two subsequent occasions and that the total reserved seats are not to exceed 45% of the total available seats at any time.

When the students began building up pressure with the active help of local leaders of the Indian Medical Association, the State Government relented and announced on January 9 that the carry forward system would be scrapped. But the students and apparently, their political advisers were not content. They began insisting that reservations in post-graduate courses should be scrapped "in the interest of the health of people and society". Their slogan during demonstrations was "scrap reservations and save lives".

Here again facts belie propaganda. The students' contention that brilliant high caste boys are denied opportunities because of reservations is wrong. During the five years since reservation was introduced, 837 seats in post-graduate courses of five medical colleges in Gujarat were available. With 25% reservation, 110 seats should have gone to the reserved quota. But only 37 seats in the reserved quota were filled, the rest were released in the general quota.

A number of medical students related stories of subtle harassment and discrimination against them. These stories may be exaggerated, but there is some truth in their feelings. "Reservation-wallah" is an abuse frequently hurled by high caste students. Further, Scheduled Caste students point out that the gap between admission percentages of the reserved and general quotas is steadily narrowing.

A spokesman of the Scheduled Castes and Tribes Doctors' Association has demanded that the Government publish statistics regarding the percentage of posts held by reserved quota candidates in various firms and educational institutions. This would reveal how hollow is the fear "of high caste Hindu students that they are being weeded out of education and jobs".



The medical profession in Gujarat is dominated by Patels, Nagar Brahmins and banias. When they see lowly Dalit boys from their villages becoming doctors they resent it. This has been happening in all fields. Then again, there is almost rivalry between Gujarati and non-Gujarati doctors. This rivalry coupled with politics has also contributed to growing resentment and the beginning of agitation.

Office-bearers of the Junior Doctors' Association, who are spearheading the agitation, seem blissfully unaware of the consequences of their demand. When asked whether such an agitation could not lead to caste war, they replied: "We are not fighting for seats. We are fighting for upholding medical standards. So reservations must go. And as far as the question of the reservations system is concerned, well, the time has come to take a fresh view of it".

[24 Feb 81, p 9]

[Text] Ahmedabad, Feb. 23.--About 40 km from here, at Jaitlapur village, a Harijan youth, suspected of certain crimes, was beaten up and later allegedly burnt to death by caste Hindus on December 25 last year. The current phase of violence in the anti-reservation agitation in Gujarat can be traced back to that incident.

When news of the atrocity reached this city, Scheduled Caste youths allegedly inspired by Mrs Shanti Makwana, wife of the Union Minister of State for Home Affairs, Mr Yogendra Makwana, held protest rallies and visited the village to retaliate.

These two incidents received wide publicity in the Press. Protest meetings were held here and in many other towns by both groups. But few realized the grave consequences of these seemingly minor protest meetings and the depth of hatred till the medical students in the State began their struggle for the abolition of reservation in the post-graduate courses.

The agitation against the "carry forward system" was launched on January 5. The State's Health Minister conceded demand on January 9, but the students pressed further to seek the abolition of reservation from the post-graduate medical courses.

The storm centre of the agitation, the BJP Medical College here, is peculiarly situated. On one side, it is flanked by high caste Patel localities and on the other by Harijan bustees.

While agitating students and the Press have made much of attacks on high caste Hindus and especially Patels, it is clear that the Scheduled Castes have borne the brunt of the violence. A large number of Scheduled Caste localities were attacked, huts were set on fire, youths beaten up and shops looted. Obviously, students themselves cannot be indulging in such large-scale violence. Anti-social and casteist elements have taken over.

The chronology of events leads one to suspect that some mysterious political factors are at work. It is alleged in Gujarat that Mr Makwana is responsible for encouraging Scheduled Castes to foment trouble. The allegation is ridiculous.



[as published] The Scheduled Castes are in a minority and cannot hope to brow-beat high caste Hindus.

The battle lines are drawn between the State's Chief Minister, Mr Madhavsing Solanki and Mr Makwana. Mr Makwana has sustained a long campaign against Mr Solanki, alleging that the Solanki Government had failed to look after the interests of Harijans. In this context, it is quite possible that the supporters of Mr Makwana would be fanning the fires of the agitation to embarrass Mr Solanki.

If the in-fighting in the Congress (I) is aggravating the situation, other political parties just cannot escape responsibility by blaming the ruling party. Tracing the events of last month in Gujarat, one finds an interesting coincidence which is difficult to explain as accidental. Before the violence, Gujarat was in turmoil during the civic and municipal elections. Newspaper headlines in the State were proclaiming a "grand show by the BJP and Janata". Suddenly, the headlines changed: "Congress (I) commands most civic bodies". Immediately after the Opposition defeat in the civic elections, the agitation seemed to have taken a more violence turn. [as published]

CSO: 4220

## HOME MINISTER MAKES STATEMENT ON GUJARAT

Bombay THE TIMES OF INDIA in English 25 Feb 81 p 1

[Text] New Delhi, February 24.

Opposition members in the Lok Sabha twice today agitatedly pressed for a discussion on the troubled situation in 18 of the 19 districts in Gujarat, while the government responded with a statement pledging Central assistance to the state authorities and appealing to all to strengthen the hands of the administration.

The statement read by the home minister, Mr. Zail Singh, was categorical that the reservation issue was not negotiable. He blamed the violent incidents on "some political parties and disgruntled antisocial elements who whipped up the sentiments of misguided students."

In the morning, for about 40 minutes, the house was lost in the din of demand for a debate. Opposition members made grim references to killing of Harijans, a 'civil war,' and the like.

The BJP leader, Mr. A. B. Vajpayee, and some others said the situation had resulted from a rift between the chief minister, Mr. Madhavsingh Solanki, and the minister of state for home affairs, Mr. Yogendra Makwana, who belongs to the state.

The speaker reminded the house that its business advisory committee would meet tomorrow to decide the issue. He remarked: "Who wants the nation to be on fire. The matter is, indeed, grave. It is a cancerous development that can destroy the nation. We should sit together and find a solution."

The leader of the Janata group, Mr. Madhu Dandavate, and others demanded that the government should come out with a statement.

Calm returned to the house after the minister for parliamentary affairs, Mr. Bhishma Narain Singh, agreed to consult the home minister on a possible statement. Soon after, the home minister himself promised a statement which he made at 3.30 p.m.

There were renewed demands for discussion after Mr. Zail Singh made the statement. The deputy speaker, Mr. Lakshmanan, was reminded by the opposition members, Mr. Mani Ram Bagri, Mr. Madhu Dandavata, Mr. Ram Bilas Paswan and Mr. Vajpayee that he should not shut out a discussion as the speaker was yet to announce a decision.

In his statement, the home minister recalled the origin of the trouble at B. J. Medical College, Ahmedabad, and said as a result of discussions with student leaders the state government was prepared to consider their demands.

#### Govt's Efforts

At the same time, he said, the "government made it clear that abolition of the principle of reservation for scheduled caste and scheduled tribe students was not negotiable since this is part of our policy to further the educational interest of the weaker sections of the people and in particular of scheduled castes and tribes--an objective which is enshrined in the constitution and to which this government is fully committed."

The minister charged that while some of the demands of the students were under study, "some political parties and disgruntled anti-social elements whipped up the sentiments of misguided students in the matter of abolition of reservations and this resulted in violent acts in Ahmedabad on January 5. In retaliation, the supporters of reservation organised a counter-agitation which aggravated the situation. Trouble spread to other places like Baroda, Mehsana and Khaida and so far, 18 of 19 districts have been affected."

He related to the house the efforts by the state government to resolve the dispute with medical students. A committee had been set up to consider other demands subsequently put forth by the students like introduction of the residency system, abolition of M.Sc. (medical course) and expansion of hostel facilities in different medical colleges.

There were also efforts by prominent citizens, including doctors and high court judges, to persuade the students to end the agitation.

He said, "Unfortunately, some interested elements have been trying to exploit the situation to further their own designs.

"The Central government has been providing all necessary assistance to the state government to effectively meet the situation."

CSO: 4220

## 'EXECUTIVE FIAT' AGAINST PRESS NOT PERMISSIBLE

Calcutta THE STATESMAN in English 3 Mar 81 p 1

[Text] New Delhi, March 2.--While disallowing a privilege motion sought to be raised against the Director of Information of Assam, the chairman of the Rajya Sabha, Mr M. Hidayatullah ruled today that "no executive fiat" without the "authority of law and the House" could be issued directing newspapers against publication of reports of the proceedings of the House.

Disposing of a notice of breach of privilege given by Mr Dinesh Goswami (Ind) against the Director of Information and Public Relations of the Assam Government, the chairman ruled that "proceedings which are open to public, must necessarily be open to newspapers to report".

"Newspapers are the eyes and ears of the public, not present in the House. Unless the House puts a ban, newspapers must be allowed to have the right to reproduce fairly, faithfully and accurately the proceedings or any part thereof without let or hindrance from any person, not authorized by the House or by any law", he observed.

The chairman clarified the legal position in respect of publication of the proceedings of the House. He held that no breach of privilege was, however, involved in the notice of breach of privilege given by Mr Dinesh Goswami (Ind) against the Director for his "refusal" to permit some newspapers to publish a detailed report of the Rajya Sabha proceedings relating to the discussion on the calling-attention motion on the "foreign nationals" issue. He explained that under the law now in force in Assam, the Director had not allowed the publication of the detailed reports of the proceedings on the ground that they had already published agency reports.

Rejecting the member's charge that the Director's action amounted to "obstruction" in the discharge of duty of members of the Rajya Sabha, the chairman said: "The House has not ordered publication nor is it the right of the members to insist on publication. Article 361(A) of the Constitution, however, by implication, allows substantial true reports of any proceedings of Parliament to be published without any adverse consequence to newspapers".

On the question whether the non-publication of the proceedings of Parliament amounted to breach of privilege, he held: "It is to be answered at once in the negative".

Mr Hidayatullah also ruled that newspapers might not "misrepresent by editing, adding or unfairly omitting to give a totally wrong impression". [as published] But in the present case, the question did not arise because a brief report of the proceedings in question had already been published and the Director did not permit repetition of it. "Therefore, I do not think that any question of privilege arises", he observed.

CSO: 4220

## UPPER HOUSE GETS REPORT ON INDIAN NEWSPAPER GROWTH

Madras THE HINDU in English 3 Mar 81 p 9

[Text] New Delhi, March 2.

The circulation of Indian newspapers crossed the four crore mark for the first time in 1978, the total circulation was estimated at 4,08,50,000 copies in 1978 as compared to 3,74,37,000 copies in 1977--an increase of 9.1 per cent.

'Press in India--1979' which was laid on the table of Rajya Sabha today says with 15,814 newspapers published in 75 different languages--Indian and foreign, the press in India continued its steady growth in 1978, in variety, periodicity and content. During 1978 as many as 1,234 new newspapers commenced publication. As compared to 1977, the number of newspapers had gone up from 14,531 to 15,814, that is, an increase of nearly 9 per cent.

Out of the 15,814 newspapers published in the country, 992 were dailies, 81 tri/bi--weeklies, 4,654 weeklies and 5,739 monthlies.

For the first time, Hindi newspapers took a lead over English newspapers in circulation. Hindi newspapers already had the lead in number. The number of Hindi newspapers increased from 3,736 in 1977 to 4,196 in 1978. Their circulation increased to 9,706,000 copies in 1978 from 8,679,000 copies in 1977, registering a growth of 11.8 per cent.

The number of English newspapers increased to 3,085 from 2,892. The total circulation of English newspapers increased by 81,000 copies in 1978.

The largest number of daily newspapers also were published in Hindi--294, followed by Urdu and Marathi with 103 and 102 respectively. However, in circulation, English dailies were ahead of Hindi dailies.

Maharashtra had the distinction of having the largest number of newspapers with 2,169 in 1978. Uttar Pradesh came second with 2,089 newspapers and Delhi with 1,909 newspapers came third. West Bengal and Tamil Nadu also had more than 1,000 newspapers.

In the matter of daily newspapers, Uttar Pradesh was at the top with 146, followed by Maharashtra with 140 dailies. The remaining States and Union Territories had less than 100 dailies.

In circulation also, newspapers from Maharashtra were in lead with a total circulation of 7,905,000 copies followed by Tamil Nadu and Delhi with 6,114,000 and 5,405,000 copies respectively.

ANANDA BAZAR PATRIKA, a Bengali daily from Calcutta continued to be the largest circulated single edition daily in the country in 1978, with a circulation of 376,464 copies. Among the multi-edition dailies, the INDIAN EXPRESS with 10 editions, with a combined circulation of 523,158, continued to be at the first place. KUMUDAM, a Tamil weekly from Madras with 504,260 copies was the largest circulated periodical in the country during 1978.

The Central and State Governments together brought out 540 newspapers during 1978. This was 24 more than in 1977. The Central Government had 283 newspapers while the State Governments published 252 newspapers.

Twentysix foreign missions in India published 104 publications in 1978 with the USSR embassy at the top having 50 newspapers. [as published]

Bombay, Calcutta, Madras and Delhi, the four metropolitan cities of the country, shared 30.8 per cent of the entire press in India. In circulation the share of the newspapers published from the metropolitan cities was more significant. Over 49 per cent of the total circulation achieved by the Indian press in 1978 belonged to them.

There were 24 newspapers which were being published for more than 100 years. Among them nine were dailies. Started in 1822, BOMBAY SAMACHAR, a Gujarati daily published from Bombay is the oldest existing newspaper in the country.--PTI & UNI.

CSO: 4220



## TREATMENT OF JAILED TRADE UNION LEADER PROTESTED

New Delhi PATRIOT in English 26 Feb 81 p 4

[Text] Lucknow, Feb 25.

Justice Yasoda Nandan and Justice V N Verma have issued notices to UP Government "to show cause why Rule 4 of the UP National Security Prisoners (Condition of Detention Order) and Regulations 279 and 280 of UP Classification and Separation of Prisoners Amendment Rules 1980 should not be declared ultra-vires.

The orders for notice were based on the application of a CPI leader, trade unionist of Ghaziabad Than Singh Tyagi who has been detained under NSO and classified in jail as 'inferior class' prisoner.

Advocate K P Agarwal, appearing for Mr Tyagi, stressed before the court that as a detenu under the National Security Act was a class by himself, he could not be equated with ordinary prisoners. Mr Agarwal informed the court that the petitioner was an MA in Geography and had interest in literature, economics, politics and philosophy. He said that the detenu had been denied all facilities to get newspapers, journals and books, like other inferior class prisoners. Mr Agarwal pleaded that the petitioner was engaged in trade union activities in the district of Ghaziabad which had a heavy concentration of industries and when there was a great exploitation of the employees. [as published]

It was with the best motives and lofty ideals that the petitioner was organising the working class. For this reason, he had become an ey sore to the employers. [as published] The district authorities, instead of coming with a heavy hand on the erring employers and making them to implement the various labour laws, detained by Tyagi under the NSA "in collusion with the employees". He pleaded further that the petitioner will not be able to maintain his personality, much less develop the same, as an ordinary human being as an inferior class prisoner. The guarantee of liberty under Article 21 of the Constitution was thus infringed.

Mr Agarwal also urged that no guidelines had been provided in paragraphs 279 and 280 of the UP Classification and Separation of Prisoner Amendment Rules 1980 which could enable the district magistrate or the detaining authority to classify the detainees into inferior and superior classes, which under the present circumstances, would be hit by Article 14 and 19 of the Constitution. In the background of the arguments advanced by advocate K P Agarwal, the learned judges issued notices to the Advocate-General UP to show cause why the aforesaid rules and regulations be not declared ultra-vires.

CSO: 4220

## FINANCE MINISTRY TALKS TO PRESS ON BUDGET

Bombay THE TIMES OF INDIA in English 2 Mar 81 pp 1, 9

[Text] New Delhi, March 1.

Finance ministry officials today maintained that the Union budget for 1981-82 would not accentuate inflationary pressures and would encourage savings and investments.

They told a press conference that the broad strategy behind the budgetary proposals was to give a promotional thrust to production and strengthen the trend towards economic recovery seen in the past six months.

They stoutly denied that the budget favoured monopolists or that it was unfair to the states in respect of transfer of tax revenues.

/On the price front, the officials contended that the budget would have "minimal" effect. The behaviour of prices was "a complex phenomenon" and was determined by many factors so that it was difficult to hazard a guess about future trends./ [in boldface]

However, excise duties, which had a direct impact on prices, had been left untouched in the budget. The customs auxiliary duty had been raised but care had been taken to exempt essential goods, like edible oils and petroleum products. There had been no increase in the prices of fertilisers or foodgrains.

Even in respect of the recent price increases, the increase had been 'small' in the case of sensitive commodities, like kerosene and coal. The increase in railway fares would not affect lower class and short-distance travellers.

The officials referred to the evidence of economic recovery in the latter part of 1980-81 and remarked that if this trend was further strengthened, the economy would be set for industrial expansion.

The budgetary proposals were intended to encourage this potential. The increase in interest rates was designed to generate higher flow of savings towards productive investment.

The tax measures, such as reduction in corporate surcharge and concessions to a number of industries, were also aimed at stimulating investment.

Companies would continue to be permitted to raise deposits from the public and shareholders. The present arrangements for inter-company lending would also continue.

Referring to criticism about the increase in the customs auxiliary duty, the officials said that the hike was only five per cent and this should not have any significant impact on the capital costs of major projects.

#### Money Supply

In rebutting the charge that the budget was pro-monopolist, the officials pointed out that the concessions were mainly directed towards small and medium-scale units. The payment of surtax in advance would affect relatively highly-profitable companies.

As for the changes in the bank lending rates, they were essentially in the nature of rationalisation. The effective increase would be very little; in fact in some cases the rates had been reduced.

The officials maintained that the estimated budgetary deficit of Rs. 1,500 crores was less than in any of the previous two years and, in view of the pressure on resources, it should not lead to any excessive expansion in the money supply.

Justifying the exemption of 1.4 million persons from the income-tax bracket, the officials said that the department would now be able to devote greater attention to taxpayers in the higher income bracket.

The effective exemption limit was around Rs. 24,000 a year, much more than the nominal limit of Rs. 15,000, depending on a person's contributions to insurance and provident fund.

Defending the government decision to invite foreign oil companies for exploration onshore and offshore, the officials said this was unavoidable since the balance of payments position would remain difficult for many years to come unless the energy situation was improved. The government hoped to get the best of terms from the foreign companies.

The officials defended the 15-per cent increase in customs duty on imported newsprint and said that the outgo would be only Rs. 13.5 crores.

As regards borrowings from the International Monetary Fund and commercial institutions, the officials said this would depend on the projects taken in hand.

INI adds:

Asked whether the reduction in income-tax would not result in a fall in the shareable resources to the states, the finance secretary, Mr. G. Ramachandran, said the planning commission had fixed Rs. 3,956.86 crores as the share of the states for 1981-82.

He said that despite the substantial concessions in income-tax, the states would still get a share of Rs. 4,131 crores. If the states fulfil their targets

regarding mobilisation of resources, there would be no difficulty in meeting the projected outlay for the plan for 1981-82.

The economic affairs secretary, Mr. R. N. Malhotra, said the concessions were aimed at promising investment.

Mr. Malhotra said there was no provision in the budget for commercial borrowings from abroad. This was an extra-budgetary source of resources, which depended on the size of projects, and on the amount of funds needed for them.

CSO: 4220

## SOME DETAILS OF 1981-82 DEFENSE BUDGET REPORTED

Calcutta THE SUNDAY STATESMAN in English 1 Mar 81 pp 1, 7

[Text] New Delhi, Feb. 28.--An all-round increase in defence expenditure is indicated in the Budget proposals presented to Lok Sabha today by the Finance Minister, Mr Venkataraman. His cryptic reference in his Budget speech to a Rs 200-crore increase in the revised estimated for 1980-81 actually conceals more than it reveals.

The net increase in defence expenditure indicated for the financial year 1981-82 is substantially more than what the Finance Minister revealed. The increased over the estimated expenditure for 1980-81 is Rs 600 crores although defence even then continues to account for only 17% of the total expenditure against 60% for development.

The Army as usual gets the lion's share of the extra funds proposed to be made available to the defence forces during the coming financial year. It gets an additional Rs 164 crores, raising the estimated expenditure from the current year's Rs 2,260 crores to Rs 2,424 crores. The Navy raises its share from the revised figure of Rs 234 crores to Rs 299 crores--an extra Rs 65 crores. The Air Force barely falls short of the Rs 1,000-crore mark. The estimated expenditure during 1981-82 has been placed at Rs 991 crores against the revised figure for the current year of Rs 948 crores. Enhanced pension rates and extension of other facilities to retired services personnel has raised the bill under this head from Rs 263 crores to Rs 283 crores.

Next only to the Army the biggest rise--and expectedly so--is indicated under the head capital outlay on defence services. The expenditure under the head goes up from the current year's Rs 297 crores to Rs 403 crores--an extra Rs 106 crores to help execute various projects, including expansion and improvement of various defence facilities. Provision has also been made for replacement and reequipping of all the three services.

The Defence Ministry's demands which were placed on the table of the House along with the Budget cover six main heads--Ministry of Defence (Rs 264 crores), Army (Rs 2,425 crores), Navy (Rs 299 crores), Air Force (Rs 991 crores), defence services, pensions (Rs 283 crores) and capital outlay on defence services (Rs 406 crores), making for an overall defence expenditure of Rs 4,670 crores, the biggest ever defence budget.

The Government clearly is guided by the worsening security environment in the region and has found it necessary to make available adequate funds for the country's security needs. This is also evident from the accent which the defence proposals place on building up of research and development facilities as also expanding the capacity of the various defence-oriented public sector undertakings under the Ministry of Defence.

It might be of interest to mention some of the special allocations indicated in the Budget proposals for public sector undertakings. Hindustan Aeronautics takes the pride of place among these. The Air Force continues to be HAL's principal customer and keeps all its 11 units busy. [as published] HAL has its units located in six States. Six factories, including the unit at Barrackpore, constitute the Bangalore complex; the two factories at Koraput and Nasik form the MIG complex; two accessory units are located in Lucknow and Hyderabad and the other factory is located at Kanpur. The Budget provides for support of Rs 40 crores to the undertaking.

Bharat Electronics, another fast growing defence undertaking, has three factories situated at Bangalore, Ghaziabad and Pune. The Bangalore unit manufactures sophisticated electronic communication equipment and components. The Ghaziabad unit caters to the needs of the Army and the Air Force. The Pune unit has been set up to manufacture night vision devices like image converter and image intensifier tubes. The total value of production of the company during 1979-80 was Rs 85 crores; budgetary support to it now has been placed at Rs 10 crores against Rs 3.5 crores provided in revised estimates for the current year. The new Budget proposals take into account the requirement of two new equipment factories and one TV glass shell project proposed to be set up during the year.

Bharat Earthmovers, which has raised its production to Rs 122 crores, will receive an additional support of Rs 3 crores during the coming financial year. Mazagon docks will receive Rs 25 crores which include the provision for building of a yard at Nhava Shewa to manufacture off-shore platforms. Budgetary support for the Garden Reach Shipbuilders and Engineers Limited has been placed at Rs 9 crores. The provision made in the revised estimates, 1980-81, and budget estimates, 1981-82, include Rs 7.93 crores and Rs 4.5 crores, respectively for working capital requirements of the Garden Reach unit.

Mishra Dhatu Nigam, a unit which manufactures highly sophisticated and strategic alloys needed by aeronautics space electronics, nuclear energy and chemical engineering units will receive budgetary support of Rs 15 crores during the coming year. The project, which was originally estimated to cost Rs 90 crores, will now cost Rs 124 crores.

CSO: 4220



## 1981-82 CENTRAL PLAN ENVISAGES INCREASE IN OUTLAY

Calcutta THE SUNDAY STATESMAN in English 1 Mar 81 pp 1, 7

[Text] New Delhi, Feb. 28.--The Central Plan for 1981-82 envisages an outlay of Rs 8,619 crores as against Rs 7,340 crores in 1980-81, representing an increase of 17.4%.

The approved Plan outlays of States and Union Territories for 1981-82 have been fixed at Rs 8,860 crores against Rs 7,253 crores in 1980-81, which is an increase of 22%.

Thus, the Plan outlays of the Centre, States and Union Territories in 1981-82 total Rs 17,479 crores, compared with Rs 14,593 crores in 1981-82--a rise of nearly 20%.

The Finance Minister told Parliament today that the Central Plan would be financed by budgetary support of Rs 6,309 crores, and internal and extra-budgetary resources of public sector undertakings of Rs 2,310 crores. He also disclosed to Parliament that the Centre made a provision of Rs 3,462 crores as Central assistance for the Plans of the States and Union Territories.

The annual Plan outlay for agriculture in the Central and State Plans in 1981-82 has been increased to Rs 1,047 crores from Rs 925 crores in Budget estimates of 1980-81. The emphasis is laid on irrigation--to add 2.5 million hectares under irrigation next year. [as published] Inevitably, the outlay on major and medium irrigation in the next year's annual Plan has been substantially raised to Rs 1,408 crores from Rs 1,213 crores in 1980-81. The outlay on minor irrigation is fixed at Rs 310 crores, compared with Rs 266 crores in 1980-81.

The national rural employment programme is claimed by the Finance Minister to benefit the rural poor. The Finance Minister had made much of the national rural employment programme in his Budget for 1980-81 and provided for Rs 340 crores which have been shown as fully spent.

However, the Finance Minister provided much less--Rs 180 crores--in the Central Plan for this programme in 1981-82. Evidently, the Central Government is constrained by the foodgrain shortage to give a boost to the national rural employment programme as it had promised earlier.



The integrated rural development programme as well as special programmes such as the desert development and drought-prone area schemes account for an outlay of Rs 198 crores in 1981-82. With the matching contribution from the States, the Centre expects this programme to help just three families rise above the poverty line in 1981-82.

The 1981-82 Plan earmarks Rs 110 crores for providing safe drinking water in problem villages. Together with the provisions made in the State Plans, the Central Government expects to provide an additional 36,000 villages with safe drinking water.

Power development receives an added boost in the Central Plan with an outlay of Rs 721 crores against Rs 520 crores in 1980-81. This reflects the expanding role of the Centre in the power sector. The Centre proposes to take up the two major hydro-electric projects--Dulhasti in Jammu and Kashmir and Koel Karo in Bihar, the total outlay for the power sector in the State and Central Plans put together is Rs 3,326 crores, compared with Rs 2,745 crores in 1980-81--to generate 3,000 MW of additional power in 1981-82. [as published]

Next to power, the annual Plan has accorded high priority to coal production, envisaging an outlay of Rs 680 crores against Rs 443 crores in 1980-81.

More important, in view of the higher priority to exploration and development of oil and natural gas resources, the outlay on the petroleum sector has been substantially raised to Rs 1,011 crores from Rs 780 crores in 1980-81.

The outlay for steel in 1981-82 is fixed at Rs 796 crores, mainly for the expansion plans of the steel plants at Bhilai, Bokaro, new schemes at Rourkela and for a captive power plant at Durgapur. There is a provision of Rs 130 crores for the Visakhapatnam steel project and Rs 23 crores for the Salem steel plant.

A provision of Rs 390 crores is made in the Plan for taking up the three gas-based fertilizer projects at Thal Vaishet (Maharashtra), Hazaria (Gujarat) and Namrup (Assam), as also for new nitrogenous and phosphatic fertilizer plants.

CSO: 4220

## MINISTRY OF ENERGY 1981-82 BUDGET REPORTED

Madras THE HINDU in English 3 Mar 81 p 10

[Text] New Delhi, March 2.

Larger provisions both in the shape of equity capital and loans have been made in the 1981-82 budget of the Ministry of Energy for Coal India Ltd (CIL) and Singareni Collieries Co Ltd (SCCL). The Neyveli Lignite Corporation (NLC) also gets a higher allocation.

In the revised estimates for 1980-81, a plan provision of Rs. 182 crores as equity investment and Rs. 171 crores as loans plus a non-plan loan of Rs. 37 crores has been made for CIL.

The budget for 1981-82 takes the plan provision for CIL to Rs. 476 crores (Rs. 246 crores equity investment and Rs. 230 crores loan). The higher investment has been occasioned by an increase in the number of projects taken up as well as by cost escalations.

Among the schemes sanctioned in 1980-81 are 17 coal projects expected to yield 17.21 million tonnes of coal ultimately. The outlay is Rs. 373.70 crores. In addition two advance action proposals for mines expected to yield 1.29 million tonnes have been sanctioned.

Another new project sanctioned by the Government is a low temperature carbonisation plant at Dankuni near Calcutta for which the cost estimate is Rs. 49.27 crores. It will carbonise 1,500 tonnes of raw coal every day to supply smokeless fuel and coal gas to households and industries around Calcutta.

A washery project with a throughput of 2.60 million tonnes per annum has also been sanctioned.

The budget provision for SCCL goes up to Rs. 35 crores from Rs. 24.30 crores in 1980-81. The allocation for the next year includes Rs. 5 crores as equity investment and Rs. 30 crores as loans. A production level of 12 million tonnes is aimed at in 1981-82 as against 10.4 million tonnes in 1980-81.

The 1981-82 budget provides Rs. 99.13 crores for NLC which includes Rs. 67.13 crores of equity and Rs. 32 crores of loan. In addition NLC is expected to

generate internal resources of the order of Rs. 12.87 crores. In the outgoing year the revised estimates for NLC are Rs. 92.16 crores.

The total budget provision for the Department of Coal in 1981-82 is Rs. 510.13 crores as against Rs. 506.46 crores in 1980-81.

The Department of Power has a larger share of the budget. Its provision for 1981-82 being Rs. 852 crores which is Rs. 284 crores higher than the revised estimates for the current year.

The revised estimate of Rs. 568 crores in 1980-81 is however Rs. 49 crores less than the original budget provision. The saving is largely the result of the delay in transferring the ownership of the Salal hydel project to the National Hydro-Electric Power Corporation (NHPC).

The major beneficiaries of the budget provisions for 1981-82 are the National Thermal Power Corporation (NTPC) which is setting up super thermal projects and NHPC. The provision for NTPC goes up to Rs. 375 crores while NHPC gets Rs. 174 crores.

The budgetary support provided to the Rural Electrification Corporation is Rs. 85 crores--Rs. 10 crores as equity and Rs. 75 crores as loan, the latter including Rs. 15 crores for systems improvement.

A provision of Rs. 18.72 crores has been made in the budget for loans to State and Union Territory Governments for building inter-State transmission lines. A loan of Rs. 1.28 crores has been provided for the Damodar Valley Corporation for this purpose.

The question of taking up the construction of inter-State transmission lines as a Central scheme is currently under consideration and Rs. 10 lakhs has for this purpose been provided in the Central sector.

The budget of the Ministry of Petroleum, Chemicals and Fertilisers shows a stiff increase--from Rs. 628 crores in 1980-81 to Rs. 918 crores in 1981-82.

But on the revenue side of the petroleum and petrochemical industries budget for 1980-81 there is a large shortfall in the assumptions originally made and the actual accrual.

The main reason for the shortfall is the loss of cess income due to the Assam agitation. As a result on the revenue side the revised estimates for 1980-81 show only Rs. 28 crores against the original figure of Rs. 91 crores.

Out of the total budget estimate of Rs. 918 crores next year, the allocation for petroleum and petro-chemical industries is Rs. 307 crores of which the Oil and Natural Gas Commission alone gets Rs. 198 crores as loan.

The budget allocation for the chemical and fertilizer industries is Rs. 610 crores against the revised estimate of Rs. 506 crores for 1980-81.

CSO: 4220

## JAMMU, KASHMIR MINISTER PRESENTS DEFICIT BUDGET

New Delhi PATRIOT in English 3 Mar 81 p 4

[Text] Jammu, March 2.

The Jammu and Kashmir budget for 1981-82 presented to the State Assembly today by Finance Minister Devi Dass Thakur shows a deficit of Rs. 26.06 crore in revenue account. This is proposed to be met with anticipated Central assistance to the tune of Rs 22 crore and through additional resource mobilisation estimated at Rs four crore.

The revenue receipts are estimated at 268.42 crore and expenditure at Rs 294.48 crore.

The capital account shows an income of Rs 483.80 crore and expenditure of Rs 401.47 crore, leaving a surplus of Rs 22.33 crore.

Next year's Plan outlay has been fixed at Rs 170.19 crore against Rs 147.48 crore. Set apart for the current year's development plan. [as published]

## Scheme for Jobless

In his 45-minute long budget speech, Mr Thakur announced introduction of a unique social security scheme for the benefit of educated unemployed in the State numbering over 50,000. The scheme is being given effect through a legislation to be brought before the House in the current session. It envisages imposition of tax under Article 276 of the Constitution in respect of professions, trades, callings and employments for raising a fund with a matching contribution from the State Government. Rs five crore, estimated to be collected under the scheme will be earmarked exclusively for helping the jobless.

The proposed revised sales tax rates are expected to yield additionally Rs 77 lakh. Additional revenue from toll tax is estimated at Rs 2.10 lakh. The enhanced power tariff is expected to yield Rs 1.60 lakh and other Rs three lakh are expected to come from a marginal increase in the property tax. [as published]

Mr Thakur also announced to introduction of Sales Tax on cooking gas at the rate of five per cent and on yarns of all types at two per cent. Sales Tax has also been increased on timber from three per cent to four per cent, on resin from 20 per cent to 25 per cent, on the country liquor from eight per cent to 12 per cent and on palm oil from two per cent to eight per cent.

There will be a marginal increase in the rate of property tax. Additional roll on all commodities passing through Jammu railway station or Lakhanpur has been increased by Rs 11 per quintal. Power tariff has been enhanced for commercial and bulk supply categories. The municipal and the local bodies are proposed to be authorised to levy appropriate tax on shops and houses within their areas at rates which will be prescribed by them in consultation with Government.

Budget proposals include important additional instalment of Dearness Allowance from September last year sanctioned retrospectively ranging from Rs 6.80 to Rs 30 per month.

Employees drawing salary up to Rs 100 per month are entitled to this benefit.

Group Insurance Scheme on the Central pattern is proposed to be introduced for the employees of the State. Limit of housing loan for the employees has been raised from Rs 2000 to Rs 75,000 for the Low Income Group and from Rs 75,000 to Rs 1.50 lakhs for the Middle Income Groups.

Mr Thakur said that the scheduled annual instalment of reduction in food subsidy (20 paise per kilo) will be effected from 1 April. Next year's liability on this account is estimated at Rs two and a half crore against double that figure during the current year.

However, increase in price of foodgrains resulting from decision of Agriculture Prices Commission will not be passed on to consumers. Rs 1.20 crore worth of this liability is proposed to be borne by State following centre's refusal to foot the bill.

CSO: 4220

## WEST BENGAL'S 1981-82 BUDGET PRESENTED TO ASSEMBLY

Calcutta THE STATESMAN in English 28 Feb 81 pp 1, 9

[Text] Wide-ranging and substantial concessions in sales and entry taxes, imposition of cesses on coal and tea and a net deficit of Rs 65 crores are the salient features of the 1981-82 West Bengal Budget presented in the State Assembly by Mr Ashok Mitra, Finance Minister, in Calcutta on Friday. [as published]

While the overall budgetary deficit is Rs 107 crores, the Government proposes to reduce it to Rs 65 crores by new cesses and rationalization of the tax structure which are expected to fetch Rs 42 crores. The cesses on tea and coal alone will realize Rs 37 crores. The Finance Minister hoped that the Centre would advance a long-term loan to the State Government for liquidation of its deficit.

The most significant feature of the Budget for the final year of the present tenure of the Left Front Government is that it does not impose any additional tax on the common man, who the Finance Minister said, had suffered enormously because of the Centre's price and tax policies. According to him, the new Budget strategy will result in the lowering of prices of a large number of industrial products and consumer goods, greater production of these goods in the State and consequently a significant rise in employment opportunities.

The Finance Minister did not anticipate any loss of revenue because of the concessions. On the contrary, it was his estimate that the concessions would lead to substantial expansion in industrial activity which would ensure a minimum revenue increase of Rs 5 crores in 1981-82.

Mr Mitra said that the necessity to narrow the budgetary gap was of course there but it was equally important that adjustments in the State's revenue structure were made in such a manner that at least some relief was provided to the people and industry and trade received some stimulus so that employment and economic activity rapidly expanded in West Bengal. He explained that the State Budget proposals were made to cushion the blatantly inflationary nature of the railway Budget and the "near inevitable surmise" that the Union Budget would launch a further attack on the common people by imposition of more taxes and price increases.

Mr Mitra announced that the present sales tax holiday for three years for new small-scale units would be further liberalized to five years in the case of units in the Calcutta metropolitan district and to seven years in the case of units



situated outside the district. Simultaneously, the ceiling of investment for eligibility for this concession would be increased from Rs 10 lakhs to Rs 20 lakhs. For mini-steel plants in the backward areas, the power subsidy of 30% would be extended from five years to seven years from the date of commencement of the supply of power for purposes of production. This concession, the Minister said was being granted since the State Government placed the highest emphasis on the growth and modernization of the State's industrial structure specially of the small-scale industries in the backward areas.

#### Basic Changes

Proposals for basic changes in the level of taxation on industrial inputs were also made to encourage industrial growth. The concessional rate of sales tax on inputs which was not available at present for goods covered by the West Bengal Sales Tax Act, 1954, if used in the manufacture of goods covered by the Bengal Finance (Sales Tax) act, 1941, would now be extended to such goods. The concessional rate of sales tax on inputs and packing material used directly for the manufacture of goods was also proposed to be reduced from the present level of 3% to 1% in all cases except for the coal raising units.

Another significant concession, keeping in view the changing price levels and the need to prevent harassment of small traders and shopkeepers, was to double the taxable quantum under the Bengal Finance (Sales Tax) Act, 1941 from Rs 10,000 to Rs 20,000 in the case of importers, from Rs 25,000 to Rs 50,000 for manufacturers and from Rs 50,000 to Rs 1 lakh for resellers. The Minister announced that some procedural changes to provide for summary assessment and for ensuring quicker issue of declaration forms would also be effected. [as published] He proposed that the sales tax on finished drugs be reduced from 7% to 4% at the first point under the West Bengal Sales Tax Act, 1954. [as published]

Abolition of the sales tax on lac and shellac, which is an important industry in the backward districts of the State, by including the commodity in schedule 1 of the Bengal Finance (Sales Tax) Act, 1941, is proposed in the Budget. The inter-State sales tax on non-ferrous tubes, pipes, rods, sections wires and sheets when sold to registered dealers and the Government, would be reduced from 4% to 2%. The tax on the inter-State sales of newsprint to publishers of newspapers would be abolished. Small and medium newspapers in the State would receive grants-in-aid equivalent to the amount of sales tax actually paid on the purchase of newsprint.

Sales tax rates for flooring material like PVC tiles and linoleum have been rationalized at 15%. Sales tax on fork lift trucks have been fixed at 10%. [as published]

Signalling out chemicals and electronics as the two most promising industries requiring growth in the Calcutta metropolitan district, the Minister proposed to abolish entry tax on denatured spirit, methylated spirit and alcohol use in industries and a spare parts of certain electronic equipment. The rates of entry tax on "metal dust and powder" are also proposed to be reduced from 5% to 1%. Entry tax on aluminium foils and leaves has been reduced from 4% to 1%.

Mr Mitra said that both for administrative reasons and for ensuring revenue it was desirable to make a downward adjustment in the rates of entry tax on



cigarettes and tobacco under the 1962 Act. The rates of entry tax on cigarettes, cigars and cheroots were proposed to be reduced to 2 paise and five paise for 10 sticks against the present rates of one paise and two paise a stick. The tax on smoking tobacco was proposed to be reduced from two paise a gm to one paise a gm, the tax on tobacco of any other description including raw tobacco, used in the manufacture of cigarettes, cigars and cheroots or smoking tobacco from 100 paise a kg to 20 paise a kg and the tax on tobacco used for any other purpose from 50 paise a kg to 10 paise a kg.

The Minister said that all the proposals for reduction of the rates of entry tax would be given effect to by notification from March 1, 1981.

#### Cess on Tea

With a trend to augmenting revenue and also encouraging the sale of tea through public auctions the Finance Minister proposed to levy the rural employment and production cess with regard to tea by computing the cess at a rate not exceeding Rs 6 a kg on despatches of tea from tea estates. The approximate revenue from the cess on tea will be Rs 30 crores.

The State Government proposed to raise Rs 7 crores from Coal India by proposing that the cess leviable under the West Bengal Rural Production and Employment Act, 1976, be raised from Rs 2.50 a ton to Rs 5 a ton in the case of coal. The education cess leviable under the West Bengal Primary Education Act with regard to coal was also proposed to be raised from 50 paise to Re 1 a ton.

Mr Mitra demanded that the coal industry which was fully controlled by the Centre should make larger contribution to the expansion of production and employment in West Bengal. As a result of the recent price increase the Centre's annual earnings from the coal raised in West Bengal would go up by nearly Rs 60 crores while the State's receipts from the coal royalty would increase by only Rs 3.5 crores. "This is patently unjust", Mr Mitra remarked.

He said that the fiscal challenge for the State for 1981-82 would be even greater than the past. In the background of the shrinking Central assistance the State had to implement a plan larger in size by Rs 90 crores compared with the plan for 1980-81. The State Government would try to achieve the target of a total net collection of Rs 216 crores in small savings so as to obtain a loan of Rs 144 crores from the Union Government.

Mr Mitra said that the finances of the State Government had been under continuous strain during the current year because of numerous factors. Prices of material had risen wages had gone up and floods in some districts had led to unavoidable additional expenditure. The State Government had to take care of thousands of residents of Assam who had been driven out from that State. The Centre was yet to offer reimbursement for this expenditure.

The Finance Minister announced that for rationalizing and simplifying the structure of sales tax the State Government proposed to introduce in a subsequent session of the Assembly a comprehensive consolidated Bill to bring within the compass of one statute the Bengal Finance (Sales Tax) Act, 1941, the West Bengal Sales Tax Act, 1954, the Bengal Raw Jute Taxation Act, 1941 and West Bengal Paddy

Purchase Tax Act, 1972. [as published] He would also bring in the current session for reasons of effective administration amendments to the Bengal Agricultural Income Tax Act, 1944, West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1979, and the Bengal Amusement Tax, 1922.

Mr Mitra said the State Government would sponsor a new group insurance scheme according to which teachers, municipal employees, shopkeepers, Government-aided entrepreneurs and professional people earning less than Rs 500, if agreeing to form groups, would have their insurance premium paid by the State Government for the first three years. According to him, the scheme was likely to provide added security to a large number of people with limited earnings.

The three-year term for those under the Unemployment Assistance Programme numbering about 300,000, would terminate in March 31, this year. Those among them who still could not get themselves employed, Mr Mitra said would be entitled to apply to the State Government for marginal money under the self-employment scheme.

According to the Economic Review 20,000 people under the scheme were allowed to work for 100 days at various departments of the State Government and their record of work was satisfactory. Mr Mitra said the State Government would continue with the programme though the Centre refused to share its burden.

He said that the State Government had already applied formally to the Reserve Bank for a licence to float a banking company with an authorized capital of Rs 5 crores. The paid up capital of the company would be at present Rs 1 crore while the public would be invited to participate up to 20% of the authorized capital.

According to him, the credit-deposit ratio of the commercial banks in the rural sector was worst in West Bengal. The allegation that agricultural advances were not recovered, according to him, was incorrect. In fact, the proportion of recovery had steadily recovered from 32% to 41% from June 1975 to June 1978.

Mr Mitra hoped that once the sanction from the Reserve Bank was received, three quarters of the aggregate deposits of the proposed bank would be used for expanding production and employment in the State. The bank's initial working funds would consist of deposits of the State public sector undertakings, amounting to about Rs 40 crores to Rs 50 crores.

He said the State Government would continue to be stern against the private non-banking financial institutions. The House meets at 1 p.m. on Monday.

CSO: 4220

## WEST BENGAL ECONOMIC REVIEW FOR 1980-81 REPORTED

Calcutta THE SUNDAY STATESMAN in English 1 Mar 81 p 16

[Text] More than 50% of gram panchayat members in West Bengal are "owner cultivators", according to the Economic Review, 1980-81, placed in the West Bengal Assembly on Friday. However, about 43% of them own holdings below two acres and only about eight per cent have land over 10 acres.

The review said: "The members of panchayats, by a significant majority, can be taken to represent the interests of the poorer sections in a village". Teachers account for 14% of gram panchayat members and unemployed and landless labourers 7.5% and 4.8%, respectively.

In the industrial sector, the number of registered working factories rose from 5,837 in 1977 to 6,144 in 1979 and the average annual earning of workers, drawing less than Rs 1,000 a month, rose from Rs 6,061 to Rs 7,106 during the same period. Again, while 2,117 people had been retrenched and 122,044 laid off in 1977, the figures dropped to 1,043 and 14,848 respectively, in 1980. Similarly, the number of strike fell from 172 in 1978 to 78 in 1980 and that of lockouts from 199 to 135. The review mentioned that in the same period there had been a rise in wages in all major industries, jute, cotton and engineering.

In the power sector, the review regretted that the Damodar Valley Corporation's contribution to the Calcutta Electric Supply Corporation had "remained systematically below the contractually settled percentage of eight"; while the DVC contributed 7.2% of its generation to Calcutta in July 1980, in December it gave only 4.9%. During this period, however, its generation rose from 381.47 million units to 407 million units.

CSO: 4220

## DETAILS OF INCREASED SCIENCE BUDGET TOLD

Bombay THE TIMES OF INDIA in English 2 Mar 81 p 7

[Text] New Delhi, March 1 (PTI & UNI): The government has raised its science budget for 1981-82 to about Rs. 664 crores against Rs. 584 crores last year, providing Rs 6 crores for the newly-created department of environment. A few biosphere reserves in the country are planned.

The department of atomic energy, which gets the biggest share (Rs. 389 crores) has set apart Rs. 12.5 crores for setting up three new heavy water plants and a new atomic power station in the western region.

The department of space has made a token provision out of its Rs. 107 crore budget for the Rohini-II satellite that will be launched by an advanced satellite launch vehicle.

It has also proposed to take up a Rs. 5 crore programme on Indian middle atmosphere research as part of an international programme.

A new public sector undertaking for the manufacture of radars and navigational aids is to be set up by the department of electronics, whose budget for 1981-82 is Rs. 23.2 crores compared to last year's Rs. 18.4 crores.

## Waste Recycling

A total of 144.7 crores has been provided for the department of science and technology (DST) and the council of scientific and industrial research (CSIR).

The DST has made a provision of Rs. 50 lakhs for research on waste recycling and utilisation of solar energy.

It has also made a provision of Rs. 10 lakhs for the setting up of a centre for science and a technology for developing countries.

The project costs of the Talcher and Kota heavy water plants have gone up sharply, according to the budget proposals. While the cost of the Kota plant has been revised from Rs. 19.48 crores to Rs. 63.71 crores, the Talcher plant is now estimated to cost Rs. 56.98 crores against the original Rs. 33.66 crores.

The Tuticorin and Baroda plants have already started operating and the Talcher and Kota plants are expected to begin operations in 1981-82.

The budget also provides Rs. 12.76 crores for operational expenses of heavy water plants at Tuticorin, Baroda and Talcher as also for the metallic potassium plant and the ammonia synthesis gas facility of the heavy water plant at Baroda.

#### Purchase Provision

A provision of Rs. 24.30 crores has been made in the budget for the purchase of heavy water, required to meet the operational needs of the nuclear power stations.

The research and development activity of the Bhabha Atomic Research Centre (BARC) has been given a boost with the provision of Rs. 36.56 crores. The capital projects of BARC get a total of Rs. 23.79 crores.

The BARC capital projects include: research reactor (R-5 project), engineering halls, plutonium recycling project, medium energy heavy ion accelerator, health and safety laboratory at Kalpakkam, plutonium plant expansion, radio pharmaceuticals production facility and the uranium metal plant expansion.

The research reactor (R-5), a uranium-fuelled, heavy water moderated and cooled reactor is being located at Trombay to provide engineering facilities to test prototype fuel elements of power reactors at appropriate flux levels.

The provision for the project in the budget has now been revised to Rs. 76.62 crores from Rs. 49.88 crores.

CSO: 4220

## STATES TOLD TO ISSUE VOTER IDENTITY CARDS

Madras THE HINDU in English 25 Feb 81 p 7

[Text] New Delhi, Feb. 24.

The Government has instructed all the States to implement the Election Commission's scheme for issuing identity cards with photographs to voters.

The scheme would be implemented in phases leaving the details regarding actual implementation to the Chief Electoral Officers of the States, the Law Minister, Mr. Shiv Shanker, said in a statement showing the gist of some important recommendations made in its report on the last general elections.

According to the broad outlines of the scheme, every adult citizen should be issued an identity card with his or her photograph. The cost of the photograph should be borne either fully by the State or equally shared between the State and the individual.

Secondly, the agency for preparing these photographs should be widely decentralised and asked to prepare the photographs in duplicate.

Thirdly, the identity card-cum-photograph will also serve as a "social security" card so as to induce the adult citizen to possess the card by highlighting its advantages.

Finally, the possession of the identity card should be made compulsory for such purposes as ration cards, college and school admissions, employment, land registration and transfer of immovable property and social welfare measures including loans from Cooperative Banks and membership of these institutions.--PTI.

CSO: 4220



## 'CONFIDENTIAL' IMF MISSION TO INDIA PLANNED

Madras THE HINDU in English 3 Mar 81 p 5

[Article by N. Ram]

[Text] Washington, March 2.

With negotiations over the very large extended arrangement sought by the Government of India reaching a sensitive point, with the finalised Sixth Plan document becoming available and with the budget providing up-to-date signals on the economic thinking installed in New Delhi, a team from the International Monetary Fund is preparing for a visit to tie together the loose ends of the deal.

The three-year loan arrangement, involving tight conditionality, is expected to be in the three to four billion SDR range--although Indian officials have not given up aiming for the five billion SDR mark. With the dollar making up recently, the SDR is in the \$1.23 range.]

## Conditionality May Prove Controversial

Since the arrangement is exceptionally large (whatever the final figure, it is bound to set an IMF lending record), the parameters of New Delhi's economic policy as well as the prospects for the Indian economy are not quite clear, and the degree of conditionality is likely to prove politically controversial, it could be weeks before the IMF mission, in which the Director of the Asian Department, Mr. Tun Thin, will be a key man, actually arrives in India on its unpublicised mission.

For all the objective changes that have taken place in India's economy, including foodgrain production and the foreign exchange situation, since the mid-sixties, the current moves could hold some comparison with the events that surrounded the Prime Minister, Mrs. Indira Gandhi's meeting with President Lyndon Johnson in Washington in March 1966, the then Planning Minister, Mr. Asoka Mehta's fateful discussions with Mr. George Woods, then President of the World Bank in late April and May, and the announcement of a 36.5 per cent devaluation of the rupee and a liberalised import policy in June, 1966.

(An interesting difference is that the Indian Ambassador to the U.S., Mr. K. R. Narayanan, is not involved in the current moves, unlike Mr. B. K. Nehru who as Ambassador, the record indicates, had an active role in canvassing devaluation



and other conditions pressed by the IMF and the World Bank during the last few weeks of Lal Bahadur Shastri's career as Prime Minister and the opening weeks of Mrs. Gandhi's ).

#### Parameters Now Different

Some of the parameters today are certainly different, but the Fund's conservative philosophy and ability to impose conditions remain intact, as do the vulnerability and scenario of low growth, imbalances, inequities and uncertainty within the Indian economy.

Above all, from the IMF's standpoint, the "structural adjustment" that must be made by the Indian economy is overhung by the shadow of a balance of payments crisis that cannot be too far away (given the scale of petroleum imports, however scaled down by boosted domestic production) and complicated by a highly burdensome public debt, an expansionist monetary policy, a somewhat "overvalued" rupee, too many "social" and other subsidies, and too many "restrictions" for foreign as well as domestic private investment and on imports.

The World Bank's opinion on India's economic prospects, and in particular on the investment component of the Sixth Plan, was sought by the IMF's Managing Director, Mr. J. De Larosiere (as reported in these columns).

With the Plan document handed over to the Bank on February 13, the institution should be a position to provide this assessment for the Fund--aside from incorporating it independently in its economic report for the Aid India Consortium scheduled to meet in Paris in June.

#### Bank Approach May Be Sympathetic

The tying up of a \$400 million loan for the Hajira fertilizer complex, including the approval of the process consultants, Pullman-Kellogg and Snam Progetti, indicates that the Bank's approach to the Government of India's economic directions will be sympathetic in the main, despite the ruffled feelings left by the Thal-Vaishet episode.

The confidential IMF mission to India is apparently the last stop before the proposal for the arrangement goes to the institution's Executive Board. Once the deal is approved by the Board, the technical and legal procedures necessary to formalise the agreement would require another month or so--which means the very large extended arrangement as well as the arithmetically formulated "performance criteria" could be in place for an Indian summer.

CSO: 4220

## ECONOMIC ADMINISTRATION REFORMS PANEL PLANNED

Madras THE HINDU in English 4 Mar 81 p 1

[Article by G. K. Reddy]

[Text] An Economic Administration Reforms Commission is being set up, under the chairmanship of Mr. L. K. Jha, to advise the Cabinet on matters of high economic policy and the procedures for quicker implementation of decisions taken by the Government.

Apart from Mr. Jha who will be a full-time chairman, the Commission will consist of two other members with the necessary expertise, Dr. C. H. Hanumantha Rao, who is at present Director of the Institute of Economic Growth, and Mr. R. Tirumalai, IAS, Secretary of Economic Coordination in the Cabinet Secretariat.

The earlier idea of having an economic council of eminent non-officials to advise the Government has been given up in favour of a full-fledged Commission. It will be formally constituted under a Cabinet resolution and attached to the Cabinet Secretariat for administrative purposes.

The terms of reference have not yet been finalised, since the Commission's advisory role will have to be carefully defined to mesh into the existing pattern of Government. [as published] As it is entitled to refer any matter of economic policy or implementation for the Commission's consideration, the Government wants it to tackle first the question of taxation reforms for streamlining the tax structure and improving the administrative machinery for collection.

The Government is also keen on utilising Mr. Jha's special knowledge in the field of external economic relations. Apart from serving as Chief Controller of Imports and Exports, Secretary of the Department of Heavy Industries and later of Economic Affairs and Secretary to the Prime Minister he has also been Chairman of Gatt, Indian Governor of the IMF and Alternate Governor of the World Bank, besides being a member of the U.N. committee on multi-national corporations and the prestigious Brndt Commission. [as published]

The Chairman of this Economic Administration Reforms Commission (EARC) will rank for purposes of protocol with the Deputy Chairman of the Planning Commission although he will not be entitled to attend Cabinet meetings. It will, however, give him the official status of a Cabinet Minister without being a member of the Government. Mr Jha is being given this special status in view of the high positions

he has held as Governor of the Reserve Bank, Ambassador to the United States and Governor of Jammu and Kashmir, since his retirement from the Indian Civil Service.

The other two members who will rank with members of the Planning Commission have been chosen because of their expertise in their respective spheres. Dr. Hanumantha Rao, an eminent agricultural economist, was a member of the last Finance Commission. Mr. Tirumalai, who stood first in the first IAS competitive examination, is an outstanding administrator who was appointed last year as Secretary of Economic Coordination.

As the senior-most IAS officer at the Centre, Mr. Tirumalai would have been normally entitled to be appointed as Cabinet Secretary after the expiry at the end of this month of Mr. S. S. Grewal's extended term. But now that he has been chosen as a member of the EARC, the way is clear for the appointment of Mr. C. R. Krishnaswamy Rao Sahib as Cabinet Secretary, when Dr. P. C. Alexander succeeds him as Secretary to the Prime Minister in a few weeks' time.

The Government is looking for a senior official with the necessary economic background to work as Secretary of the new Commission. He will have the rank of Secretary to the Government without being a member of the Commission.

CSO: 4220

# ESCAP PREDICTS GROWTH IN INDIAN GNP

Bombay THE TIMES OF INDIA in English 24 Feb 81 p 5

[Text]

NEW DELHI, February 23,  
(UNT).

INDIA is likely to achieve a gross domestic or national product (GDP or GNP) growth rate of five to six per cent during 1980-81, despite a decline in industrial production, according to the latest report of the Economic and Social Commission for Asia and the Pacific (ESCAP).

The report, which reviews the recent economic developments in the region, says the recovery of the Indian economy during 1980-81 has been substantial only in agriculture. Recent information indicates a bumper harvest, possibly exceeding the peak level of foodgrains production of 1977-78 or an increase of 10 to 12 per cent.

The report says the anticipated recovery of industry during the year remains in doubt. The production has not improved during the first half of the fiscal year. The Federation of Indian Chambers of Commerce and Industry estimates that industrial production was down by 3.2 per cent during the first six months of 1980-81.

## PRICES RISING

The report says the economic scene in India was dominated by two major developments in 1979-80 (year ending in March): departure from the price stability enjoyed during the previous three years, with consumer prices rising by 8.6 per cent (against 2.1 per cent in 1978-79) and wholesale prices by 16.9 per cent (unchanged in 1978-79). Containing inflation became the major preoccupation of the economic policy.

Moreover, the net accretion to the country's foreign exchange reserves

ceased in that year as a record deficit of Rs. 22.3 billion (about \$2.8 billion) was incurred, a rough estimate of some three per cent, as the agricultural sector suffered a 10 per cent fall in output.

In contrast, the report says, performance during 1980-81 portends a recovery, particularly in agriculture, where production is expected to have increased by 10 to 12 per cent, and in industry by four to five per cent. In real terms, the national income may have grown by six to seven per cent, but this anticipates a good rabi harvest and assumes substantial recovery in industrial production.

Inflationary pressures have persisted, despite anticipations based on the influence of a favourable monsoon on crop outcomes and despite the success of monetary restraint in reducing the rate of credit and money supply expansion.

External factors, especially the large increase in oil prices, have resulted in deterioration in the balance of payments and domestic inflation. Even when new loans and compensatory financing obtained in 1980 are taken into account, a sizable draw-down of foreign exchange reserves seems inescapable.

## DECLINE IN INCOME

Although national accounts estimates for 1979-80 are not yet available, rough estimates yield a three per cent decline in real national income in that year, primarily the result of sharp decline in agriculture production due to severe drought. Industrial production stagnated and may have declined marginally owing to fuel and power shortages and transport bottlenecks.

The report says, on the basis of recent past performance of the

Indian economy, with substantial recovery in agriculture virtually assured, even the occurrence of a five or six per cent decline in industrial production would permit meaningful recovery in GDP growth during 1980-81.

"Disastrous decline" in industrial production is highly unlikely. The more likely range is a decline of three to five per cent for the fiscal year.

Even in the event of only modest recovery in production, consumption demand may be expected to increase substantially in real terms as a consequence of a bountiful harvest, the report points out.

## EXPORTS DROP

The greater part of the rest of the aggregate demand is largely determined by public policy and realised in the form of public-sector consumption expenditure and capital formation. In the circumstances, domestic demand scarcely appears as a constraint to a substantial increase in realised GDP in 1980-81.

The report says the external sector remains problematical. Exports have slumped since 1978, more sharply since mid-1979. Diminishing construction activity in West Asia has also reduced remittances from Indian nationals working abroad.

The large share of essentials in the import bill (petroleum, its products and fertilisers account for about half) has meant that imports have risen rapidly since 1977 — after 1978 mainly because of the great increase in oil prices.

The import bill accelerated sharply during the first half of 1980. Reserves have begun to be drawn down and external balance has become a critical problem of the Indian economy,

**MINISTER EXPLAINS RISE IN COAL, STEEL, IRON PRICES**

Bombay THE TIMES OF INDIA in English 24 Feb 81 p 4

[Text] New Delhi, February 23 (PTI).

Steel bars, rods and semis will be taken out of the joint plants committee-administered prices under the new government policy from April.

This was stated in the Rajya Sabha today by Mr. Pranab Mukherjee, minister of steel and mines, during a debate on the calling attention motion on the hike in prices of coal, steel and pig iron.

Replying to Mr. A. G. Kulkarni (Congress-U) the minister pointed out that the government had decided to take this step instead of having control over the prices of rods and bars.

Mr. Mukherjee said that under the new policy, the integrated steel plants manufacturing 33.7 per cent of steel bars and rods would face competition from mini-steel plants and rolling mills accounting for 66.3 per cent of production.

Mr. Kulkarni contended that the government had no control over the prices of steel rods and bars used for construction purposes.

The need to generate resources for the development of the steel industry was one of the major compelling reasons for the recent increase in iron and steel prices, Mr. Mukherjee said.

Making a statement in reply to a calling attention motion, moved by Dr. Bhai Mahavir and Mr. Viren Shah, on the situation arising out of recent hike in the prices of steel, coal and pig iron, the minister said because of the steep increase in the cost of inputs, the amount flowing into the steel development fund was found to be barely enough to pay for cost escalation and nothing was left for development needs.

The minister said while the present increase was expected to add about Rs. 400 crores per year to the steel development fund, the accruals this year would only be Rs. 50 to 60 crores.

He pointed out that the constraints on steel production had caused a substantial decline in profitability of the main steel plants and affected adversely the generation of internal resources.

Replying to points raised by Dr. Mahavir, Mr. Mukherjee said that the government preferred to put the additional burden on the concerned consumers of steel rather than resorting to either deficit financing and look to budgetary support to meet the problems of price escalations.

Mr. Viren Shah said that this price rise would hit considerably the national economy, particularly steel, cement and power sectors. It would also be an "obstacle" to economic growth and might result in the failure of the sixth plan.

Replying to these points, the minister assured the house that the government had already taken some measures and would take all necessary steps to improve the functioning of steel plants and coal mines to ensure cent per cent capacity utilisation.

CSO: 4220



## DELHI ADMITS DECLINE IN FOODGRAIN STOCKS

Calcutta THE STATESMAN in English 25 Feb 81 p 9

[Text] New Delhi, Feb. 24.--An alarming admission by the Government is that food-grain stocks have declined sharply to just 11.85 million tons by the end of December. This is just above the minimum buffer stock of 10 million tons that the Government has decided to maintain.

Foodgrain stocks were a comfortable 21.40 million tons in July, 1979, and they have obviously been depleted by the poor monsoon that year, which led to a sharp fall in production by 15.5%.

But that this decline continued even in 1980, a year when there was good monsoon and when production rose by 19% to an expected record figure of 132 million tons, is one of the ominous facts that emerged from the economic survey presented to Parliament yesterday.

That foodgrain stocks went down to 11.85 million tons after a good kharif crop in 1980 suggests the possibility of food shortages. The procurement of rice during the period October-December was a relatively high 3.58 million tons compared to just 2.37 million tons in the post-kharif season of 1979. Even so, the level of stocks is low.

The stock position is partly due to the considerably lower procurement of wheat at 5.85 million tons in the period April-September, compared to 8.50 million tons in the same period of 1979.

Since the current rabi crop is expected to be a record one, it is likely that the stock position will improve, but another poor monsoon can create a serious situation and all the more so since the survey predicts a slower agricultural growth this year.

The offtake of foodgrain from the public distribution system began improving last April. During the first nine months of 1980-81 (up to December) the offtake of rice improved to 4.34 million tons and that of wheat to 5.90 million tons against 3.28 million tons and 5.14 million tons during the corresponding period in 1979-80.



## RULES FOR ACCEPTING FOREIGN CONTRIBUTIONS TOLD

New Delhi PATRIOT in English 26 Feb 81 p 5

(Text)

The Government so far has specified 141 organisations which can accept foreign contributions under the relevant law, Minister of State for Home Yogendra Mahwana, informed the Lok Sabha on Wednesday, reports PTI.

Any organisation of a political nature, not being a political party, may be so notified, under the Foreign Contribution (regulation) Act of 1978, in the official gazette.

The last notifications were made on 2 February, 1977 and 18 September, 1980.

The Government issues the notification having regard to the activities of the organisation or the association; of the organisation with the activities of any political party, the Minister said.

"Decisions are taken on the merits of each case and not on

the ground whether a particular organisation is of the left wing or the right wing or whether it receives foreign contribution from the socialist or non-socialist countries," Mr Mahwana observed.

Foreign contributions are also permitted to be received by organisations having definite cultural, economic, educational, religious or social programmes.

At present, there are about 5,000 organisations spread all over the country which report to the Government on the receipt and utilisation of foreign contributions. No specific instance of misuse of foreign contribution received by these organisations has, so far, come to the notice of the Government, the Minister said.

CSO: 4220

**IRON, STEEL PRICE RISE NOT TO APPLY TO EXPORTERS**

Bombay THE TIMES OF INDIA in English 27 Feb 81 p 6

[Text] New Delhi, February 26: The commerce minister, Mr. Pranab Mukherjee, told the Lok Sabha today that to maintain the competition value of export items, steel and pig iron would be supplied to manufacturers of such products at international prices.

The recently-announced hike by 20 per cent in the price of steel and Rs. 400 per tonne in the price of pig iron will thus not apply to those items supplied to manufacturers of export products.

Replying to questions during a debate on a calling-attention motion, Mr. Mukherjee said there was no escape from the price hike with steep increase in the cost of inputs. Besides, the other compelling reason for the increase was the need to generate resources for development of the steel industry.

The situation as the government sees it is that to maintain prices of these items at a reasonable level there has to be an expansion in capacities of these products. The gap between demand and supply has to be narrowed down as far as possible.

Subsidising these items will mean providing budgetary support and this can be done either by increasing taxation or by deficit financing which will give a push to the inflationary spiral. In the final analysis the consumer will be hit if proper correlation is not maintained between the cost and price of the products.

CSO: 4220

## GOLD SMUGGLING ON AGAIN AFTER YEAR'S LULL

Bombay THE TIMES OF INDIA in English 27 Feb 81 pp 1, 13

[Article by Madhukar Jhaveri]

[Text] After a lull of almost a year, the smuggling of gold into the country has revived, the activity having manifested itself in stray seizures at various points of entry during the last two or three weeks.

Providing a tell-tale evidence of the resumption of the activity, 25 gold biscuits worth Rs. 4.50 lakhs was seized in Bombay only four days ago. This was preceded by stray seizure during the second half of December, 1980.

Although the quantity of gold confiscated in Bombay so far has been a little less than five kilos, it looks as if the traffic will increase over the next few months.

The quantity seized in Bombay has, however, only a symptomatic significance. Amritsar has emerged as a major centre of the activity, judged by the recent swoop that had yielded four "jackets" each containing more than ten kilos of gold. Raxaul has also figured recently as an important point of entry.

## New Centres

Contrary to the traditional experience that had established major ports and coastal towns as the chief recipients of smuggled gold, the activity has spread to selected towns along the country's land frontiers. [as published] Amritsar is, obviously, getting gold through Pakistan, some of the seizures having yielded one-kilo slabs instead of the customary ten-tola biscuits favoured in international markets. Raxaul is stated to be specialising in the stuff coming from Nepal.

The revival of gold smuggling into the country is the outcome of a total swing in the world parity vis-a-vis the Indian market after more than a year.

The activity had died a natural death during the world boom in early 1980 when the international gold price had shot up to an all-time peak of \$850 an ounce.

Since the domestic market had consistently lagged behind the world levels, the smuggling of the metal into the country had become an unrewarding proposition.

Actually, time was--between April and August, 1980--when it was profitable to send the metal out of the country with the domestic prices being lower than the world

levels to the tune of Rs. 300 per ten grammes. Trade estimates are that actually about six tonnes of gold had left the country during that spell.

However, the situation has changed radically during the past ten weeks or so with the domestic market stoically maintaining its levels despite the decline in gold prices abroad.

At the ruling world level of about \$508 an ounce, the parity works out at about Rs. 1,300 per ten grammes against the prevailing Bombay quotation of Rs. 1,650, leaving an attractive margin of about Rs. 35,000 a kilo. [as published] Naturally the smugglers have responded promptly to the changed situation.

The smuggling of gold into the country has become easier, if at all, on account of the fact that the domestic silver prices are simultaneously lower than the international levels to the extent of about Rs. 800 a kilo, the government having banned export more than a ago. [as published] But the ban makes no difference to the smugglers, they pay for the gold smuggled into the country by smuggling silver out of the country.

The barter pays bothways and saves them the bother of securing foreign exchange to finance the purchase of gold abroad. [as published] The trade has, of course, repeatedly pleaded for the removal of the ban and the imposition of a heavy duty on silver exports from the time when the world prices were higher to the extent of Rs. 6,000 a kilo as an easy means of augmenting the country's foreign exchange earnings. But this has produced no response from New Delhi so far, and now the margin has shrunk to about Rs. 800 a kilo.

Meanwhile, it looks as if the country will have to reckon with the illegal inflow of gold for quite some time. The activity can, of course, stop once again if the world prices rise enough to rob it of the desired profit but prospects of such an advance are considered bleak at present.

The consensus among bullion observers abroad is that the prices may not exceed the level of \$540 an ounce for quite some time to come. But smuggling will continue to pay handsomely up to that level.

Alternatively, the activity can cease to pay if the domestic prices crash to levels lower than the world parity, but this is unlikely to happen in a foreseeable future, according to the domestic bullion experts.

Seeing this, the authorities have naturally become more watchful but they concede that the task of stamping out smuggling is well nigh impossible in a country of India's size.

They admit that even their limited success--the ratio of quantities seized to the total traffic is anybody's guess but is placed at no higher than 5:100--owes itself principally to the tip-offs received. And the best they can do is to step up the reward.

Of course, the incentive for tip-offs has risen from Rs. 20 per tola until 1972. Only in December, the reward was increased to Rs. 70, and a proposal to raise it further to Rs. 120 is under active consideration. However, this can hardly be expected to do the trick.

## NEHRU CENTER GENERAL MEETING ELECTS OFFICERS

Bombay THE TIMES OF INDIA in English 28 Feb 81 p 9

[Text] Dr. Raja Ramanna, secretary to the department of atomic energy, has been appointed general secretary and Mr. Ajit Mehta joint secretary of the Nehru Centre, Mr. A. R. Antulay, chief minister, and chairman of the Centre, announced here today.

Mr. Antulay has appointed Mr. Ram Batra treasurer of the Centre.

Talking to newsmen at Mantralaya, Mr. Antulay said that the extra-ordinary general body meeting of the Centre this morning was held in "the most cordial atmosphere". A meeting of the executive was also held earlier.

He said that an amendment had been passed unanimously by the executive, authorising the chairman to appoint office-bearers. This had been moved in the last meeting by Mr. Rajni Patel.

The amendment was ratified at the general body meeting. In exercise of this power, Mr. Antulay, as chairman of the Centre, announced the appointment of office-bearers.

Asked about other members of the executive, Mr. Antulay said that old members continued, including Mr. Rajni Patel.

CSO: 4220

## EXPERTS REPORT ON MAHARASHTRA ENERGY PLANS

Bombay THE TIMES OF INDIA in English 27 Feb 81 pp 1, 6

[Text] Bombay, February 26:

There are proven resources of 1,248 million tonnes of coal in the Chandrapur region of Maharashtra, which will be sufficient to meet the needs of four thermal power stations planned in the state.

Three power stations planned in the state sector will be of 500 Mw. capacity each--two in Chandrapur and another elsewhere. A super thermal station with a capacity of 2,000 to 3,000 Mw. is planned in the Central sector.

An expert committee appointed by the state government has pointed out that of the proven resources, 288 million tonnes of coal are available in open cast mines and the balance in internal mines.

The expert committee's report was submitted by the State government to Mr. Mohamad Fazul, planning commission member in charge of energy, here today.

Mr. Mohamad Fazul held discussions with the chief minister, Mr. A. R. Antulay, other cabinet ministers and officials for the last three days to assess the energy needs of the state and finalise the schemes to be included in the state and Central plans.

These discussions followed the talks Mr. Antulay had with the Union minister for energy, Mr. Ghani Khan Choudhary, on January 29 in Bombay.

Talking to newsmen before leaving for New Delhi, Mr. Fazul said the two power stations in Chandrapur district were expected to be ready in 42 to 45 months. The two other power stations would be considered at the time of the mid-term appraisal of the sixth five-year plan in 1982-83 after assessing the resources position.

Mr. Fazul said besides the thermal power projects, other energy projects also figured at talks.

During the sixth plan period, he said one million bio-gas plants were proposed to be set up all over the country. These plants were quite economical since there would be no cost of transmission of energy. In the case of electricity, the cost of transmission was almost the same as the cost of generation.

Mr. Fazul said in 1980-81, Maharashtra proposed to set up 11,000 bio-gas plants. It was the second largest state in the country in this regard, the first being Gujarat. It was proposed to set up another 100,000 bio-gas plants in Maharashtra in the remaining four years of the sixth plan.

The possibilities of exploring energy from windmills, particularly in the coastal regions of the state, also figured at the talks.

Mr. Fazul said other projects, which had not been included in the plan, were also discussed. These included the second fertiliser plant in a backward area based on Bombay High gas, an alumina plant at Ratnagiri, a 21-kilometre Manikgarh-Chandur railway in Chandrapur district to link the two proposed cement plants and the Bombay-Uran road-cum-rail linkage.

Under the social forestry schemes, the state proposed to plant 110 million trees in the sixth plan, he said.

The possibilities of setting up more sugar factories and spinning mills would also be considered at the time of the mid-term appraisal of the plan, he said.

Mr. Fazul stressed need for timebound programmes for implementation of the various plan projects. "Cost of time was colossal; one day's delay would mean a rise in the cost of the plan outlay by Rs. 10 crores," he added.

CSO: 4220



## ENERGY COMMISSION CHAIRMAN OPENS DELHI SEMINAR

Bombay THE TIMES OF INDIA in English 24 Feb 81 p 7

[Text] Madras, February 23:

Time was running out in the energy field for the developing countries, Prof. M. G. K. Menon, chairman of the energy commission and secretary to the department of science and technology warned here today.

Prof. Menon, inaugurating the five-day seminar on "Energy options for developing countries" sponsored by UNESCO and the Indian government, and attended by scientists and experts from 14 countries, said the document drawn up by this seminar would serve as the framework for the international conference on new and renewable resources of energy in Nairobi in August.

Reviewing the options open for the developing countries which consumed only 20 per cent of the commercial energy generated in the world even though they accounted for 70 per cent of the world's population, Prof. Menon said that practically there was very little "choice" because of the large technological gap and scarcity of capital.

In this context, he said, what was needed for India and other developing countries of Asia and Africa was an "integrated energy production" using both the bio-mass system and the physical system to produce bulk energy.

Prof. Menon appealed to the scientists attending the seminar to come out with practical ideas which could be used immediately to provide commercial energy to replace non-commercial energy sources--such as cow dung, firewood and agricultural wastes--which were being burnt up in villages on an ever-increasing scale. This wasteful use would ultimately lead to the conversion of large areas into deserts, he said.

Large tracts of non-arable land in developing countries could be used for social forestry to grow and raise energy forests. Also, the conversion of bio-mass into ethanol, methanol and other raw materials for making petrochemicals in the industrial sector could be undertaken. Solar energy conversion for heating water was another immediate use.

A significant point made by Prof. Menon in regard to the substitution of petrol and diesel in transportation was that alcohol was not the answer in India.

Rather, he thought, batteries storing electric power would eventually be the solution.

He emphasised that the current technology based on "the infinite availability of zero cost energy" petroleum--would have to give place to new systems.

Prof. Nayuduamma, president of the committee on science and technology in developing countries, said the work of the seminar would be a "major input from the non-governmental scientific community" to the Nairobi conference.

The governor of Tamil Nadu, Mr. Sadiq Ali, who presided over the function, said that while the Oil and Natural Gas Commission would intensify its exploration and production effort, "it will be unrealistic to depend on it exclusively for meeting our new energy requirements." India would have to rely greatly on its coal reserves, he added.

CSO: 4220

ENERGY SEMINAR SUGGESTS DEVELOPING COUNTRIES AGENCY

Madras THE HINDU in English 28 Feb 81 p 6

[Text] Madras, Feb. 27.

The seminar on Energy Options for Developing Countries organised jointly by COSTED, Savoy Centre and the Department of Science and Technology (Government of India), has suggested the establishment of an independent agency by developing countries for producing different energy devices on commercial terms and supply these on no-profit, no-loss basis to those countries.

The proposed agency will evaluate different technologies, build up the required energy software and hardware and deliver complete energy packages (of a mix) to suit the field conditions of the developing countries.

A resolution carried at the final session of the four-day conference on Friday, says "this agency will be able to gain the confidence of interested governments and provide energy devices without individual countries worrying about political implication or financial exploitation."

The conference was attended by scientists and technologists from a wide range of countries.

The seminar recommends the creation of four energy networks, one each in Asia, Africa, Latin America and the Arab States.

The network will organise training programmes and workshops in different areas of energy sources, utilisation and technologies, and will be a group of institutions rather than a single centre. This will build up regional competence.

Particular emphasis was placed on bio-technology and biomass utilisation. Its merit lies in the fact that it involves decentralised energy sources and requires minimal capital cost inputs, is maintenance-free and does not imply transfer of expensive technology.

The Seminar appealed to Governments to provide subsidies and incentives to promote the new technologies, about energy alternatives among the rural masses, for whom these are intended.

The suggestions of the seminar are in the nature of recommendations to the United Nations Conference on Energy for the Developing Countries scheduled for August 1981 in Nairobi, Kenya.

CSO: 4220

## PILOT PLANTS SET UP TO TAP ALTERNATIVE ENERGY

Madras THE HINDU in English 25 Feb 81 p 12

[Text] The Government of India is setting up plants and installations for generation of energy from alternative sources in different parts of the country for large-scale demonstration and field trials. These devices include solar thermal (for hot water, refrigeration, desalination), photovoltaic panels (for water pumping, community TV viewing), and bio-gas units in the decentralised sector.

One of the photovoltaic devices is being installed in Madras for water pumping and community TV viewing.

According to the Government programme, 20 community bio-gas plants are under construction all over the country including one in Madurai in Tamil Nadu. These plants would supply not only gas needed for the household but also motive power as well as electricity generated at the local level at a cost working out to just 60 per cent of the cost of power supplied from bulk generation plants through the grid.

Mr. M. Dayal, Adviser, Department of Science and Technology, Government of India, gave this information while participating in a technical session of the COSTED-Savoy Centre-organised Seminar on Energy Options for the Developing Countries at the Connemara Hotel.

### Solar Heating

The Adviser, who as Chairman of the Science Commission of UNESCO had made a special study of the problem of alternative energies, said the DST had solar heating projects on hand for textile mills, dairy units, engineering industry, hospitals, etc. A pre-commercial pilot plant for electricity generation (photovoltaic) to produce 1-1/2 MW was under installation while at the same time, developments were under way for building a larger scale plant.

Initial demonstration of photovoltaic modules had shown there was already a market for this device even at the present high cost. While the market would expand when the cost went down, even today, in his view, there was justification for constructing and operating commercial level plants.

Another announcement made by the Adviser to DST was that the Government was considering financial or fiscal incentives for the users and manufacturers of

equipment for energy generation from alternative sources, so as to make it competitive to some extent with conventional devices. India's photovoltaic devices and their applications had already become competitive in areas like communication, ship navigation, etc., as compared to conventional systems.

Mr. Dayal, who helped design and build the first two atomic reactors in India, the apsara and the CIRUS, told the assembled delegates that against 43 per cent energy now coming from non-commercial sources (from traditional methods of inefficient exploitation and incapable of generating economic activity) 21 per cent alone would come from these sources in the next few years, the balance 28 per cent getting replaced by alternative sources (though still non-commercial but more efficient and conducive to generation of economic activity). [as published]

He was of the view that 20 per cent of the fuel oil consumption in industry, 50 per cent of the kerosene consumption, substantial quantities of diesel and gasoline consumed in transportation, and 20 per cent of the coal consumption were easily replaceable. [as published]

CSO: 4220

## ENGINEERS SUBMIT MEMO ON ENERGY CONSERVATION

Calcutta THE STATESMAN in English 4 Mar 81 p 3

[Text] The Association of Indian Engineering Industry recently submitted a memorandum to the Prime Minister suggesting incentives for energy conservation. The memorandum was prepared by a committee set up by the AIEI to study various aspects of energy conservation.

The study found that for every 1% increase in the GNP, the increase in energy consumption was about 2.5% in India, compared to 1% in developed countries. This wide disparity in the rates of increase in energy consumption indicated the scope for effecting energy conservation in India.

Unofficial estimates indicate a possibility of energy savings of 17% to 20% at the present level of economic activity. Such savings cannot, however, be achieved overnight, the memorandum states. An all-round effort has to be made with necessary investments in energy saving capital equipment. While it will be easy for inefficient units to show significant improvement quickly, more efforts will be required on the part of units which are already efficient to conserve energy.

Each industrial unit, the memorandum says, must be encouraged to draw up its own energy plan in relation to its present and future production targets. Only a well-planned effort, rather than ad hoc measures will yield beneficial results. While welcoming the Government's decision to provide financial relief to firms incurring expenditure on exploration of new sources of energy, the memorandum states that the measure will not be enough to encourage the vast number of users of conventional energy resources to practise energy conservation.

The AIEI has suggested that all national and State-level financial institutions be advised to entertain applications for financial assistance in connexion with capital expenditures related to energy conservation. Such capital expenditure should include cost of consultancy fees as well as implementation of energy conservation programmes. Different limits for assistance may be fixed for various sectors, taking into account possible energy savings in each case.

The Association has submitted that such financial assistance should be in the form of soft loans bearing a concessional rate of interest to encourage industrial and commercial managements to avail themselves of such facilities. The necessity for providing such incentives is borne out by the fact that in the United Kingdom 50% of the consultancy fees and 25% of capital expenditures for energy conservation work are given by the Government as an outright grant to industrial units.



It has been suggested in the memorandum that as in the case of research and development projects, the cost of capital equipment for energy conservation be deducted from the total income of a firm in the year in which the equipment is installed and commissioned for the purpose of calculating the income-tax of the unit. If any capital equipment needs to be imported for this purpose, this may be allowed duty-free, the memorandum says.

The Association is against the policy of raising the energy cost to discourage energy consumption. It feels that in such cases, there is always a tendency to pass on the effects of high energy costs to the consumer, perpetuating the vicious cycle of a high cost economy.

CSO: 4220

## OAPEC SECRETARY GENERAL GIVES PRESS CONFERENCE

Madras THE HINDU in English 25 Feb 81 p 9

[Text]

NEW DELHI, Feb. 24.

Third world countries, including India, do not have a developed money market and this hinders the flow of petro-dollar investments in India, said Dr. Ali A. Attiga, visiting Secretary-General of the Organisation of Arab Petroleum Exporting Countries (OAPEC) at a news conference here on Tuesday.

Dr. Attiga said OAPEC was studying the details of the liberalised policy the Government of India had recently announced to attract Arab investment.

"But this concerns only public investments", he said. "When we talk of investment of private funds, you will certainly need a modern money market to cater for it. One day your private sector may develop this market."

The infrastructure has to be created. In its absence what we have been talking about is only concessional investment and even that is on an equity basis."

**Concessional Finance:** On India's eligibility for concessional Arab finance for oil imports on the basis of its low per capita consumption of oil, he did not give any definite indication that OAPEC could do anything much to persuade the Organisation of Oil Exporting Countries (OPEC) to extend a favourable treatment to India.

However, he felt that the per capita criteria might be a more equitable basis for categorisation by OPEC for con-

cessional finance, though he did not know its "ramifications".

"The matter is not really for me to respond since OAPEC does not deal with this categorisation nor is it a price determining organisation like OPEC."

There was no definite move by OPEC yet for providing concessional finance for oil imports and the categorisation proposals were still under consideration.

**"Good Progress":** Appreciating the "remarkable progress" made by India in oil exploration and production, Dr. Attiga was also "delighted" at India's success in achieving self-sufficiency in food production. India was lucky in having mastered the technology for oil extraction "before you have found the oil".

On the pricing policy for petroleum products adopted by India, he said, "you are bold enough to adjust to the price of oil".

Pointing out the importance of pricing policy for ensuring conservation of a non-replenishable source of energy like oil, he said, "we must inform the consumer through price—and that is the only signal he understands—where we need conservation and alternative sources".

Replying to questions on the talks his delegation had with the Ministers and officials of the Union Government, Dr. Attiga said his effort would be to identify the areas for cooperation between India and OAPEC. "We are impressed with what we have seen

and it will be conveyed to the OAPEC Secretariat. We will certainly encourage an exchange of views at all levels, particularly at the professional level".

Dr. Attiga said India's achievements in technology were not so well-known in the Arab world.

**OPEC Prices:** The price increases being effected by OPEC should not be judged from the conventional standards applied to the pricing of renewable sources of energy. "These have meaning only if what is produced — and not extracted as in the case of oil — is replaceable".

The non-OPEC oil-producing countries like Sweden, Norway, U.K. and Canada were preserving their oil. "But the pressure to produce more is only on OPEC", he said.

The present oil reserves, Dr. Attiga said, not taking into account new discoveries, may last for 25 to 30 years for some countries, 40 years for others and 100 years for certain countries which are not in OPEC.

Domestic consumption of the countries in OPEC was also increasing and in some countries they may go up to 70 per cent of their own production. "That is why there is an urgent need for intensifying exploration", he said.

**FTI reports:**

India's achievements in the oil industry are so impressive that "one day we may even welcome you as a member of OPEC", said Dr. Attiga. "That would be a great day and it may happen."

## JUTE TASK FORCE RECOMMENDS INCENTIVE FOR GROWERS

Calcutta THE STATESMAN in English 27 Feb 81 p 1

[Text] New Delhi, Feb. 26.--The task force on jute textiles has recommended that the minimum support price for jute should be announced by January every year--well before the start of the rainy season. This would give an incentive to growers.

In its report to the Government, the task force has suggested that, to begin with, the Jute Corporation of India so arrange its buying and selling operations that it has a minimum to 600,000 bales with which to stabilize prices.

The stocks should be financed on a concessional pattern in consultation with banks. It has also recommended the constitution of a jute board to coordinate activities at the field level.

The report of the task force was submitted by its chairman, Mr P. K. Kaul, Commerce Secretary, to Mr Pranab Mukherjee, Union Commerce Minister, here today. It was constituted by the Government in September last year to go into all aspects of the jute industry.

The task force feels that education of farmers and appropriate price incentives are important for improving quality. The report says that the present practice of the Agricultural Prices Commission recommending minimum support prices should continue. The cultivation and production of high quality fibre should be encouraged by an in-built incentive in the price structure.

The task force says that the JCI should export a minimum quantity of raw jute every year, except in times of scarcity. The JCI and the State agencies should together purchase 40% to 50% of the total crop, out of which the share of the JCI could be around 20% to 25%. By appointing agents or strengthening the infrastructure of the trade the JCI could increase the scale of purchases.

The task force has recommended that the growers' cooperatives be strengthened to enable State agencies to participate in the procurement programme and a greater number of graders assist the co-operatives. For making institutional credit available, "underbanked" areas need to be covered by nationalized banks and regional rural banks. And for earmarking credit to different organizations it is essential to hold consultations with banks before June each year.

The task force stresses the need for regulated markets set up by the State Governments and suggests that identification cards be issued to growers in the border.

The proposed jute board would replace the Jute Commissioner's office and function as an export promotion council until one is formed. It would also perform almost all the functions of the Jute Manufacturers' Development Council.

CSO: 4220

## CONTRACTS AFFECTED BY SUGAR EXPORT BAN NOTED

Madras THE HINDU in English 25 Feb 81 p 9

[Text]

NEW DELHI, Feb. 24.

The ban imposed by the Government yesterday on export of sugar has affected export contracts for nearly 1.65 lakh tonnes during 1981. These contracts were for sugar export to South East Asian and Middle East countries including Indonesia, Bangladesh, Nepal, Egypt, Yemen and Sri Lanka.

India had entered into contracts for the export of about two lakhs tonnes of sugar to South East Asian and Middle East countries and 25,000 tonnes to the EEC (European Economic Community) countries during this year.

Of this, about 60,000 tonnes had been cleared for export, mainly to Indonesia.

The Government's decision, to impose the ban, is based on the latest estimates of sugar production that there would not be exportable surplus during 1982.

The international commercial contracts on various commodities like sugar can be abrogated by either party under a special clause "Force-Majeur."

This provision provides that any party can cancel such contracts if circumstances prevent it from carrying out the contract.

This clause also takes into account the fact that commercial organisations of exporting countries which enter into commercial contracts are bound by the change of circumstances brought about by laws of the land. — PTI.

CSO: 4220

## NEW POWER PROJECTS FOR NORTHEAST APPROVED

New Delhi PATRIOT in English 4 Mar 81 p 5

[Text] The Centre has approved a number of projects for the north eastern region as a whole, whereby power generation would go up from the present 300 mw to 1,000 mw by 1982-85, Energy Minister Ghani Khan Chaudhery said in the Lok Sabha on Tuesday, reports PTI.

The increase in power generation would help narrow down the per capita consumption of electricity in Assam which in 1979-80 stood at 35.66 kwh as against the all India average of 130.48 kwh.

Mr Vikram Mahajan, Minister of State for Energy, told Mr Santosh Mohan Dev during question hour that the expected per capita consumption of electricity on the basis of latest information supplied by north eastern regional electricity boards worked out to 32.8 kwh during 1980-81.

Mr Mahajan agreed with a questioner that special grants were also given to Assam and other north eastern States and this region would be having surplus in power by 1984-85.

In reply to another question, the Minister said that a massive effort was made to develop backward and tribal areas.

"Specific effort is being made and maximum money was given" to develop hilly areas, he said.

Mr Mahajan said the Rural Electrification Corporation had been providing financial assistance for schemes in the hill States and also in the hill regions of other States--areas defined as hilly areas in the census records.

In these areas, the corporation had sanctioned up to 31-1-1981, 506 rural electrification schemes for a total financial assistance of Rs 218.34 crores.

CSO: 4220



## ONGC CHAIRMAN ESTIMATES TOP YIELD FROM BOMBAY HIGH WELLS

Bombay THE TIMES OF INDIA in English 24 Feb 81 p 5

[Text] Crude production from the wells in Bombay High is expected to cross the eight million tonnes mark in 1980-81, and the rated capacity of a similar amount would be achieved in 1981-82, the chairman of the Oil and Natural Gas Commission (ONGC), Mr. P. T. Venugopal, said here today, men after he had taken Dr. Ali Ahmed Attiga, general secretary of the Organisation of Arab Petroleum Exporting Countries (OAPEC) and other officials around BHS (Bombay High south), and BHN (Bombay High north) drilling platforms and "Sagar Samrat", the ONGC's exploratory floating rig in Bombay High. [as published]

The cantilever floating rig, "Sagar Vikas", commissioned recently, was serving a useful purpose in increasing production on Bombay High while the second of its type, "Sagar Pragati", had been floated into the sea in France. It was expected here for operations before the monsoon, he said.

The ONGC was to buy two more cantilever floating rigs, the tenders for which had been received. A decision on the tenders was expected to be taken in a fortnight, Mr. Venugopal said.

At present 15 drilling platforms were in operation and two more would be added before the monsoon, he said.

The ONGC would use a satellite from next year to transmit data about the off-shore oil drilling to a shore station for quicker analysis. Mr. Venugopal said preparatory work like construction of an earth station at Uran and a transmitting centre at Bombay High north had begun.

India's own satellite was expected to be available for the transmissions next year.

CSO: 4220

## LOK SABHA TOLD OF PLANNED POWER PROJECTS

Madras THE HINDU in English 25 Feb 81 p 7

[Text] New Delhi, Feb. 24.

While the country has to depend on hydel and thermal power alone in the next five to seven years, efforts are being made to develop other sources of energy including power from tidal waves for which negotiations with France and other countries will be held.

This was stated by Mr. Vikram Mahajan, Minister of State for Energy, in the Lok Sabha today. Solar energy was also being investigated, he said.

Mr. Mahajan said that the Government had no information about the setting up of a geo-thermal project in Stavropol area of Soviet Union.

He told Mr. Daulat Ram Saran that keeping in view the assessed geothermal potential, two pilot investigations had been under implementation in Parbati and Puga valleys.

From the present indications, there did not seem to be potential for generating electric power because of the comparatively lower temperature of the geo-thermal steam in Parbati valley in Himachal Pradesh.

Mr. Mahajan said that while Rs. 1 crore had been spent on Parbati valley investigations, a sum of Rs. 9 lakhs out of Rs. 1 crore had already been spent in the Puga Valley of Jammu and Kashmir "where sufficient evidence" for commercial exploitation had not come.

#### Petrochemical Complexes

The Petroleum Minister Mr. P. C. Sethi said that both France and Italy had offered to assist India in setting up petrochemical complexes.

Mr. Sethi told the House in a written answer that during his recent visit to France, Britain, Rumania and Italy "our interest in foreign collaboration was indicated".

In France he had detailed discussions with CEP, who were collaborating with the Oil and Natural Gas Commission (ONGC), on further development of Bombay High. Detailed proposals from the company were awaited.--PTI and UNI.

CSO: 4720

# DRASTIC CUT IN RAJASTHAN'S WHEAT QUOTA ANNOUNCED

New Delhi PATRIOT in English 25 Feb 81 p 4

[Text] Jaipur, Feb 24.

There has been a drastic cut in the Central quota of wheat for Rajasthan during 1980-81, said Food Minister Chandan Mal Baid in the Assembly here yesterday.

Mrs Laxmi Kumari Chudawat of the ruling party had earlier during question hour taken the Government to task for its failure in distributing wheat through fair price shops. She was also critical of the discrimination between the urban and rural areas in Udaipur on the quantum of wheat distributed.

The Government was on the defensive when the Food Minister informed the House of drastic cut in the Central quota. He said while Rajasthan received 65,000 tonnes of wheat in January and March last year, it came down to 5,000 tonnes in the month of October to December and 6000 tonnes in January this year.

Mr Baid said that although the "quota for February has increased to 10,000 tonnes, indication are that in spite of all efforts of the State Governments there was no likelihood of its being increased beyond 15,000 tonnes in the near future. [as published]

Mrs Chudawat was on here feet to ask why the State Government allowed this decrease despite a severe famine situation in the State. [as published]

Mr Baid however, assured the members that we would see that the people got alternative foodgrains like maize, barley and rice if not wheat. Through a supplementary on his question Mr Nandlala Meena of the BJP informed the House that Government was able to utilise only 43 per cent of the total money for the tribal development programme.

Minister for Social Welfare Harsahi Meen, however, assured the House that the remaining money would be utilised in March.

BJP Walkout

Meanwhile, the Bharatiya Janata Party members walked out of the Assembly to protest against the "ineffective implementation" of water supply scheme meant for the farmers of the State. The water was to be obtained from Gandhi Sagar in Madhya Pradesh.

Leader of the opposition Bhairon Singh Shekhawat, alleged that the decision of the committee comprising officials from Rajasthan and Madhya Pradesh had been to supply 4,000 cusecs of water from 7 February to 20 February to farmers of Kota division. But the authorities at Gandhi Sagar has supplied only 50 per cent of that quantity as a result of which farmers had suffered as water did not reach them.

Minister of State P Singh, answering the question on behalf of the Chief Minister, assured the House that the irrigation commissioner would be immediately sent to Bhopal to discuss the situation with the Madhya Pradesh authorities.

BJP members, not being satisfied with the reply of the Minister, alleged that the Government was completely "ineffective and weak" and walked out.

CSO: 4220

## FERTILIZER UNITS REPORTED RUNNING AT HALF CAPACITY

New Delhi PATRIOT in English 25 Feb 81 p 5

[Text]

**M**INISTER of State for Petroleum Dattar Singh said in the Lok Sabha on Tuesday that the capacity utilisation of Indian fertilizer plants, particularly those producing nitrogenous fertilisers, was 64.3 per cent during the first ten months of 1980-81 (from April 1980 to January 1981).

During question hour he said that the capacity utilisation was 71.2 per cent in 1978-79 and 66.2 per cent in 1979-80.

The Minister said that the decline was due to serious constraints on the availability of power, coal and feedstock.

In reply to another question Petroleum Minister P C Sethi said that the indigenous production of nitrogenous and phosphatic fertilisers was at present inadequate to meet the demand and that the potassic fertilisers were not produced in the country.

Mr Sethi said that imports of fertilisers in 1980-81 was estimated to be about 15.17 lakh tonnes

of nitrogen, 4.58 lakh tonnes of phosphatic and 7.22 lakh tonnes of potash.

He said that steps were being taken to optimise production in the plants in operation by augmentation of the supply of feeds stock and inputs, removal of in-built constraints by plant improvement programmes and de-bottlenecking schemes and installation of captive power generation facilities.

The net profit earned by the Oil and Natural Gas Commission (ONGC) during 1979-80 came to Rs 107.23 crores before tax—the highest earned by the commission so far—against Rs 81.32 crores during the previous year, according to ONGC's annual report tabled in Parliament on Tuesday.

However, the net profit after tax was only Rs 55.23 crores—against Rs 72.32 crores in the previous year—because of increase in the liability of corporate tax.

During the year under review, ONGC produced 8.51 million tonnes of crude oil against a target of ten million tonnes. The shortfall in production was mainly due to serious operational setbacks in the eastern region caused by the Assam agitation.

Gas supply to consumers increased significantly from 837 million cubic metres in 1978-79 to 1,013 million cubic metres in 1979-80—an improvement of eight per cent. Offshore accounted for 363.17 million cubic metres in the total supplies.

Agencies add: He said instructions have been issued for release of 30,000 new domestic gas connections this month for persons on the waiting list.

About one lakh new connections were expected to be released from next month and a total of 12 lakh new consumers were expected to be enrolled by March 1982, Mr Sethi added.

There are at present about 37 lakh persons on the waiting list.

## Bombay High

Mr Sethi said that during his recent visit to France he had detailed discussions with a French company, which is collaborating with the ONGC regarding the further development of Bombay High including the satellite structures.

Detailed proposals from the company were awaited, the Minister told Mr S M Krishna in a written reply.

CSO: 4220

## HIGHER GRADE COAL IN INDIAN MINES DEPLETED

Bombay THE TIMES OF INDIA in English 3 Mar 81 p 4

[Article by R. K. Rangan]

[Text] More efficient utilisation of coal has become imperative following the depletion of higher grade coal in the country's existing mines.

Coal India is now exploiting mines of one-metre-seam thickness and this relatively poor grade coal is what the country should settle for in the years to come, according to knowledgeable sources.

The ash content of coal from newer mines is also likely to be more. Already, the coal mined in the country has a high ash content compared to international standards.

Coal India has launched a countrywide campaign for the optimum utilisation of coal and has created a joint council at the national level to achieve it.

The council has representatives of producers and consumers and the two interact to eliminate any misuse of coal or its underutilisation.

### A Lesson

Significantly, Coal India as a producer has promoted the council so that indifferent users of the fuel could learn lessons from the more efficient ones.

Although the coal reserves can serve the country for another 40 years, the premium grade is scarce even now. Technology for better utilisation pertains not only to coal but also to boiler design and equipment fabrication.

Some superthermal power plants appear to have seen the writing on the wall and chosen designs that could use coal of ash content of as much as 40 per cent against the present average of 29 per cent.

Nearly 50 per cent of the manufacturing industries in the western region use coal as the basic fuel.

## Many Suggestions

At the first meeting of the western region joint council in the city over the weekend, several coal conservation suggestions were made.

Some 40 organisations represented consumers, including the Indian Cotton Mills' Federation, Cement Manufacturers' Association of India, Bombay Millowners' Association, Ahmedabad Engineering Association, Maharashtra Small-scale Industries Association and the state electricity boards.

The representatives of the small-scale industries in Maharashtra and Gujarat had reportedly asked for technical assistance and sought information on inter-fuel substitution in view of the limited availability of by-product hard coke in the country.

Coal India representatives commended a blended fuel of low volatility in combination with beehive hard coke. This fuel has already found wide application, particularly in foundries at Coimbatore and Agra.

Meanwhile, Coal India continues to raise record production. The pithead stocks are placed at 14.5 million tonnes. It has offered six million tonnes of coal at pitheads for unrestricted sale to meet the needs of consumers in distress. They could procure the material from any of the 76 collieries by direct approach. Since such unrestricted sale commenced in November last, 1.2 million tonnes have been taken delivery of.

CSO: 4220



**CONCERN SHOWN OVER LOW RATE OF FERTILIZER USE**

Madras THE HINDU in English 4 Mar 81 p 6

[Text] New Delhi, March 3.

Projections made earlier in respect of fertilizer consumption in the current year have gone awry and it is expected to increase by not more than 5.5 per cent against the targeted increase of 18 per cent.

This none-too-happy picture emerged from the just-concluded zonal conferences, at which the progress in fertilizer consumption during rabi 1980-81 was reviewed and plans were prepared for kharif 1981.

According to the Fertilizer Association of India, which was represented at these conferences, hopes of resurgence in demand during 1980-81 have been belied. Till 1978-79, fertilizer consumption has been growing steadily at a rate of 16 per cent and in 1979-80 the increase dropped to less than three per cent.

**Bad Weather:** The industry and the Government had hoped that in 1980-81 the trend would be reversed and there would be a resurgence in demand. But unfavourable weather in parts of Western and Southern States had led to a drop in consumption.

The sharp increase in prices from June 1980 too had contributed to fall in consumption. Consequently, the anticipated 18 per cent rise will not materialise.

Against this background, concern has been voiced about the extent to which consumption can be raised in 1981-82 to meet the targeted increase in farm output.

On the basis of agricultural production programmes, it has been estimated that fertilizer consumption in 1981-82 should be around 6.7 million tonnes of nutrients. This implies a 22 per cent increase over the level achieved in 1980-81.

The question uppermost in the minds of the fertilizer industry is: "How to achieve this?" Moreover, the rate of growth should be sustained at the level of 22 per cent over the next four years if the targeted consumption of nine million tonnes of nutrients by the end of the Sixth Plan is to be achieved.

One of the points that emerged from the zonal conferences was that there should not be any more increase in fertilizer prices. The question, it was argued, was

not one of relative economics of farm produce and fertilizer prices, because the psychological impact of price rise and the delay in getting credit inhibit farmers from using more fertilizers.

It was also underlined that State Governments should be persuaded to accord high priority in allocation of power to fertilizer plants to step up output. It was noted that 1980-81 had been a depressing year from the point of view of output.

The production capacity rose by 1.5 million tonnes over the past 18 months, but actual production is not expected to touch even the level achieved in 1979-80, which itself was not particularly a good year. [as published]

CSO: 4220

## NEW BODIES, STEPS PROPOSED TO BOOST FARMING

Bombay THE TIMES OF INDIA in English 2 Mar 81 p 9

[Text] New Delhi, March 1.

The setting up of a new institution on the lines of the Indian Council of Agricultural Research (ICAR) and a Central Groundwater Development Corporation are among the several new measures proposed in the 1981-82 Union budget to strengthen the infrastructure for the development of agriculture and allied fields. [as published]

The proposed new institution, likely to be called council or centre for advancement of rural technology, will co-ordinate all efforts of the development and dissemination of rural technology for all sectors other than those covered by the ICAR and its sister bodies.

The Central Groundwater Development Corporation, to be set up at a cost of Rs. 4 crores, will carry out groundwater exploration in states. Besides, an amount of Rs. 1.78 crores has been earmarked for strengthening the central water commission.

A separate provision of Rs. 4 crores has been made for carrying out investigations for the inter-linking of rivers under the national water plan.

There is a proposal to create a "gram seva corps" which will essentially be a cadre of young men and women who would like to adopt rural development as their profession for life. About Rs. 4 lakhs has been provided in the budget for this purpose.

To meet the farmers' demand for crop insurance, an amount of Rs. 3 crores has been set apart as the contribution by the government to the

General Insurance Corporation. This will be a part of the special fund to extend the pilot crop insurance scheme and to meet the liabilities arising from crop insurance.

The sixth plan, finalised recently, proposes to extend the pilot scheme to cover 500,000 hectares in the medium and low risk areas spread over 90 to 100 districts in the country and also to cover 500,000 borrower farmers.

The distribution of fertilisers is proposed to be streamlined through a new scheme in northern states. A sum of Rs. 1.94 crores has been provided for the setting up of model centres so as to develop the infrastructural facilities such as railway sidings, storage complex and approach roads for the further dispersal of fertiliser stocks in order to make them available at the farm gate well before the sowing seasons.

## YOUNG FARMERS ASSOCIATION HOLDS JUBILEE MEETING

Calcutta THE STATESMAN in English 3 Mar 81 p 9

[Text] Chandigarh, March 2.--The Young Farmers' Association, which celebrated its silver jubilee here yesterday, demanded reservation in educational institutions and jobs for people coming from rural areas based on population criteria.

The association, in a resolution, observed that economic opportunities in the country were in favour of the urban population. Young people from the rural areas found it difficult to compete with their urban counterparts in the matter of jobs and admission to technical institutions. This was due to poor schooling facilities in villages and an inbuilt bias in recruitment.

To mark its silver jubilee, the association, expanded its activities from Punjab to Haryana and Uttar Pradesh, though in a small way. It observed that it was time to mobilize the rural youth at the national level. It decided to organize the women's wing.

In the day-long function here, the association passed a number of resolutions on matters concerning farmers, particularly young farmers and other sections of the rural population. It asked for remunerative support prices for milk and eggs to give incentives to dairy and poultry farming in villages.

In the field of rural credit, it asked for a lower rate of interest and more resources for the small and marginal farmers. It suggested a ceiling on urban property to check the migration from villages to big cities. For the same purpose, it wanted decentralization of industry. Certain industries were more suitable for rural areas. The licensing policy should be modified to encourage such industry in villages. Farmers should be given the concessions to set up agro-industries that were available to other section of the population.

The association expressed concern over the rise in prices of farm inputs and cases of adulteration and sub-standard material. The tax structure of farm inputs should be rationalized to bring down their prices. The Government should ensure genuine supply of inputs. The Government was urged to pay special attention to improve the agricultural marketing system. The whole infra-structure from transportation to storage and processing needed to be made adequate.

It expressed dissatisfaction over the present basis of determining prices by the Agricultural Prices Commission. It failed to take into account risks and did not

include charge for the managerial input of farmers. There was a need to introduce an integrated price policy so that cropping pattern in the country was stabilized. Advance announcement of prices was also a pre-requisite to ensure stability in production patterns.

Dr Amrik Singh Cheema, Vice-Chancellor of the Punjab Agricultural University who presided, criticized the planning procedure which called for undue centralization and slow movement of delivery system. The farmer was still dependent on the Government for almost everything and the institution of panchayati raj were still far from effective in the matter of rural development, he said.

Dr Cheema said that demand for higher prices for produce was justified because of the increased and increasing cost of agricultural production. The farmers did not want higher and higher prices, but only wanted parity in the prices which they got for their produce and inputs produced such as tractors and fertilizers.

CSO: 4220

## MORE LOSSES REPORTED IN PUBLIC SECTOR UNITS

Calcutta THE STATESMAN in English 2 Mar 81 p 13

[Text]

**NEW DELHI, March 1**—Net loss of public sector enterprises in 1978-79 increased substantially to Rs 74 crores compared to Rs 48 crores in the previous year, thereby showing an overall deterioration in performance.

This is mentioned almost in the "public enterprises survey" of the Bureau of Public Enterprises presented to Parliament today after claiming an all-round improvement in the performance of operating enterprises during the year.

The bulky three-volume report says that the "year has witnessed accelerated investment growth, high production, increased volume of turnover, larger profits (before tax), higher export earnings and increased generation of internal resources".

The enterprises increased their contribution to the exchequer in the form of excise duties, custom levies and taxes. Disbursements by way of dividends had been ruled while the enterprises helped in creating additional employment.

Despite all this the survey concludes that the "performance judged with reference to post-tax results showed deterioration as there was a net aggregate loss of Rs 74 crores in 1978-79 compared to the loss of Rs 48 crores in 1977-78".

The growth rate of capital investment in the public sector enterprises was 18.5%, which is said to be much higher than in the rest of the economy.

The total investment, in the form of equity and loans, increased by the record amount of Rs 2,688 crores from Rs 18,688 crores in 1975-76. The largest quantum of investment of Rs 433 crores was made in the coal group followed by the steel group (Rs 377 crores).

The value of production and services increased by 23.1% to Rs 28,748 crores from Rs 19,438 crores in the previous year. The turnover increased by 21.3% to Rs 28,134 crores.

The overall losses are attributed to the steep rise in the cost of raw material, higher wages and tariffs. The limited increases in prices allowed did not provide adequate relief.

The enterprises contributed Rs 2,688 crores to the Central exchequer in the form of taxes and dues, a rise by 21% over the Rs 2,227 crores in 1977-78. There was a 30% rise in sales tax.

The total number of regular employees at the end of March 1980, in the public sector enterprises was 1,753 million compared to 1,748 million in the previous year.

## AVERAGE HEALTH OF MINERS POOR DESPITE EFFORTS

Calcutta THE STATESMAN in English 2 Mar 81 p 9

[Article by Satyen Dutta]

[Text] Dhanbad, March 1.--Despite nationalization of the coal industry and the resultant benefits, including higher pay packets and better medical facilities for colliery workers, the average health of miners continues to be very poor.

He is anaemic, suffers from respiratory diseases and worm infestation, is hard of hearing, occasionally plagued by intestinal disorder and consumes liberal doses of medicine since he has not to pay for it. He is exposed to coal dust, smoke, heat and humidity. The miner's diseases are mostly occupational, his working condition being far from congenial. [as published] No serious attempt has been made so far to minimize his environmental hazards, which are largely responsible for his physical maladies.

A recent visit to the Jharia coalfields has given this reporter the impression that although there has been a proliferation of dispensaries, hospitals and medical and para-medical staff, the environmental hygiene including sanitation, housing, supply of potable water and road communications have not received the priority they deserve. No serious thought appears to have been given to air and water pollution.

## Pollution

There has been a steady deterioration in the environment in Jharia coalfields, which remains under a pall of dust and smoke all through the year. Mines, washeries, firebrick works, fertilizer plant, smelters, foundries and coal "bhattas" that have come up in this area, release polluted air particles, sulphur dioxide, nitrogen oxide, carbon monoxide and other toxic gases which are not only harmful for men and animals, but also accelerate the process of corrosion of machines and buildings.

The environmental pollution has reached such proportions that the Centre appointed a 14-member committee last year to frame legislation for protection of environment (air and water). The committee has recommended that a Cabinet committee be formed under the chairmanship of the Prime Minister to lay down policies on environmental protection and also to review the progress of implementation of the policies.



The situation inside the coal mines is equally depressing. There are not enough drinking water facilities both inside the pits and on the surface. Miners defecate in pits in the open for lack of adequate number of toilets.

An official of the Directorate-General of Mines Safety pointed out that the Mines Act, 1952 and the Mines Rules, 1955 provides for two litres of drinking water for every miner during the working shift, adequate number of latrines and urinals on the surface and mines employing 50 or more persons should have underground latrines too. Where water cannot be provided, the miners should be given water bottles.

According to the official, except the Kolar Gold Field and the Hutti Gold Mines in Karnataka, the mines generally do not have the required facilities.

### Diseases

Of the occupational diseases, pneumoconiosis (diseases resulting from collection of dust in lungs) remains to be the single largest cause of death and incapacitation in mines. A survey conducted in 1973-74 in eight mines in the Jharia-Raniganj coal belt by the Rajendra Memorial Research Institute, Dhanbad, showed that of 8,822 colliery workers covered, 714 were found to be suffering from pneumoconiosis. Another 118 were found to be victims of both pneumoconiosis and tuberculosis. In Britain about 1,000 cases of pneumoconiosis are detected every year of which about 700 cases relate to coal mines alone.

Amrit Paswan, a 53-year-old coal cutter of South Balihari Colliery, has been admitted to Central Hospital, Dhanbad, with pneumoconiosis. He used to inhale a lot of dust while cutting coal. About a month ago he felt pain in his chest and now his pain is excruciating. Hospital doctors said that X-ray had shown that micro nodules had formed in his lungs. These nodules, they said, retarded the normal functioning of lungs and also reduced one's capacity for work and shortened one's life.

Under the Workmen's Compensation Act, a miner stricken with pneumoconiosis, is entitled to get compensation if he is declared disabled. But the payment authority is the State Government, although the workers belong to a Central public undertaking.

The Directorate-General of Mines Safety issued a circular as early as 1968-69 asking the mining authorities to install gravimetric dust sampler to monitor concentration of dust in mines, but very few mines are reported to have implemented the directive.

The incidence of tuberculosis among coal miners is around 8%, according to the same survey. Some workers suffer from TB alone; some get it from pneumoconiosis.

Walking barefoot in mines is a health hazard. Hookworms, which thrive in cold and humid places, pierce through the skin of one's foot. Deposition of faeces underground, in fields and in places around houses is a source of infection. [as published] Hookworms live on blood and it is no wonder that about 40% of coal miners are anaemic, notwithstanding their calorie intake. The Central Mining

Research Station has carried out a survey on the extent of parasitic infection among 439 colliery workers. It has been found that about 44% of them suffer from hookworm, roundworm and tapeworm infestation.

#### Noise

Noise is another factor that may tell upon a miner's physical and mental health. The permissible tolerance limit is 90 decibels. Exposure to high level noise for prolonged hours affects the hearing mechanism of workers in a slow and silent way. It may cause annoyance, headache, insomnia and hallucination. If two drilling machines work at the same time, the noise level goes up to 120 decibels. According to a doctor's testimony, if one is exposed to 120 decibels for two years, he is likely to go deaf. The Central Mining Research Station has found that in many mines in Jharia coalfields, the noise level is higher than 90 decibels and in some mechanised mines, it is over 95 decibels.

Public health experts say that preventive and communicable diseases account for 60% of the miners' maladies. They feel that the miners' health is not considered important by the authorities and that the adage "prevention is better than cure" is not honestly practised.

CSO: 4220

**MIZOS REPORTED CLOSING WEAPONS TRAINING CENTER**

New Delhi PATRIOT in English 2 Mar 81 p 4

[Text] The Arakan hills headquarters of the Mizo National Front, will cease to exist soon as the weapons training ground for the elements who masterminded the violent incidents in the north-eastern region, according to an MNF source, reports UNI.

According to the source, ever since the Assam agitation gathered momentum, MNF headquarters had received numerous requests from Assamese for armstraining and indoctrination.

In this context, the source said the Union Government's reported decision to allow MNF chief Laldenga to proceed to MNF headquarters to convene the national executive for formulating political demands before a final settlement has been welcomed.

The prepak (People's Revolutionary Party of Kangleipak) and PLA (People's Liberation Army) elements in Manipur who were responsible for the large-scale disturbances in the State last year, were possibly trained in guerilla tactics in the Arakan Hills headquarters.

It had also been reported that just before the violent incidents in Tripura, a delegation of youths from the area had approached Mr Laldenga for permission to travel to MNF headquarters for training.

The trouble in the northeastern region in general and these two States in particular could have been avoided had the Union Government hastened the process of peace negotiations with the MNF soon after the ceasefire was ordered the source claimed.

According to the source, Mr Laldenga had informed Prime Minister Indira Gandhi about the pressure he was under from various quarters, to provide weapons-training for elements seeking to create trouble in the northeast.

The knowledge that the continued existence of the MNF headquarters was a threat to peace in the region may have promoted the Centre to go ahead with the peace negotiations.

The source also pointed out that the failure of Mizoram Chief Minister Brig T Sailo either to crush the MNF or to win them over may also have worked as a factor.

CSO: 4220

## MORE DETAILS ON 1981 CENSUS-TAKING REPORTED

New Delhi PATRIOT in English 2 Mar 81 p 4

[Text] The first phase of 10-yearly head-count to determine the nation's population ended at sunrise on Sunday, reports PTI.

A specially reinforced task force on Saturday night counted the houseless in the Sealdah railway station in Calcutta, the pavement dwellers of Bombay, the under-bridges dwellers in Delhi and the open field dwellers of Madras.

Sunrise on one March is the "reference date" for the 1981 population count.

Till 6 March the army of 1.25 million enumerators would go on revision round to rope in the left outs, according to registrar General and Census Commissioner P Padmanabha.

The day was kept "dry" and late night shows were cancelled at many places on Saturday to ensure that the houseless say put at their shelters.

Enumeration would be taken up in Jammu and Kashmir on 20 April since much of the State was snow-bound.

No date has yet been fixed for Assam where the AASU and the Gana Sangram Parishad have opposed enumeration until the foreign nationals issue is settled.

The counting in 130 million households outside of Assam and Jammu and Kashmir began on 9 February.

Along with the main census, a special survey of degree and diploma holders and their main occupation was also done at the request of the Council for Scientific and Industrial Research.

Within a fortnight after 5 March, provisional population figures would be out.

By February next year primary census abstract would be ready.

The census cost Rs 40 crore about 70 paise for every man, woman and child in the country.

CSO; 4220

## FAMILY PLANNING PROGRESS REPORTED IN BENGAL

New Delhi PATRIOT in English 2 Mar 81 p 5

[Text] Calcutta, March 1 (UNI).

The use of conventional contraceptive with no monetary incentive to protect unwanted pregnancy is more popular in West Bengal than financially compensated sterilisation, according to economic review for 1980-81.

The number of users of the conventional contraceptive has increased from 81,700 in 1977-78 to 107,142 in 1979-80.

The review claimed that the total number of acceptors of family welfare programme in West Bengal had increased remarkably by over 93 per cent from 1.67 lakh in 1978-79 to 2.84 lakh in 1979-80.

The number of sterilisations which suffered a serious set back in the State in 1977-78 picked up in 1978-79 and increased to 1.56 lakh in 1979-80 from 35,800 in the previous year.

The cases of IUD insertion, the review claimed, had increased three fold from 7000 in 1977-78 to 21,400 in 1979-80 due to enhancement of compensation money.

The average age of wives who accepted tubectomy in the State decreased by 2.7 years in 1979-80 since 1971-72. Similarly the average number of living children also came down from 4.7 to 3.5 during the period, the review said.

The expenditure of each sterilisation on an average increased by Rs 21.39 from Rs 118 in 1977-78 to Rs 139.89 in 1979-80, it added.

The review disclosed that higher number of literate husbands opted for vasectomy than illiterates while unlettered wives came forward in higher numbers than their literate counterparts for accepting tubectomy.

Among the husbands vasectomised themselves so far in the State, literates constituted 64.4 per cent, while the percentage of tubectomised illiterate wives was 55.5 the review said.

CSO: 4220

## CONFIDENTIAL REPORT NOTES OIL SHIPPING LOSSES

Madras THE HINDU in English 2 Mar 81 p 7

[Text] Crude oil and petroleum products worth a few crores of rupees are lost during their voyage to India from the ports from where they are lifted, according to a highly confidential report on "Ocean losses" submitted to the Petroleum Ministry by the Indian Oil Corporation (ICO) recently.

The amount of losses is not known and the Ministry sources do not want to acknowledge even the existence of the report, which is engaging its attention.

The Oil Prices Committee (OPC) which submitted its report to the Government in November 1976 had estimated the losses in respect of crude oil to be 0.5 per cent of the cost and freight.

It urged the Government to keep the losses at the minimum possible level in view of the high cost of imports. Since then the size of the losses has mounted.

Compensation from Insurance Firms: The OPC had also calculated the cost of marine insurance at 0.12 per cent of the cost and freight of the imported crude. In this connection, the report on the losses has pointed out that India is not really worse off than the other countries which also incur heavy ocean losses.

But the report has pointed out that while the other countries are able to secure adequate compensation from marine insurance companies, efforts by the Government have not been quite successful.

Coordination Essential: There should be greater coordination between the Shipping Corporation of India (SCI) whose vessels transport a substantial part of the crude and petroleum products and the major port trusts to ensure present high level.

According to the report a sizable quantity of the imported crude and petroleum products is lost in the sea when they are being discharged by the tankers to the pipelines at the ports. The captains of the tankers disown their responsibility for this loss and attribute it to the inadequate and improper pipeline facilities at the ports.

It is possibly because of the absence of proper facilities to ensure the discharge of the oil and products that efforts to secure compensation from the insurance companies are not successful.

The lack of such facilities also encourages the crew of the tankers to indulge in certain malpractices as they are sure that they cannot be detected.

The IOC suspects that the tanker crew make use of their furnace oil cargo on its way for the tanker engines.

Owing to insufficient and improper surveillance at the loading ports, there is no adequate check on the actual quantities of crude and products loaded. The IOC report has brought this to the notice of the Petroleum Ministry.

CSO: 4220



## BUDGET GIVES LESS SUPPORT TO STEEL AUTHORITY

Madras THE HINDU in English 2 Mar 81 p 6

[Text]

NEW DELHI, March 1.

The expenditure of the Department of Steel for 1981-82 will be substantially smaller than for 1980-81, largely because of a cutback in budgetary support to the Steel Authority of India Ltd. (SAIL) and the Kudremukh Iron Ore Company Ltd. (KIOCL).

While the revised estimates for the current year are Rs. 721.79 crores, the provision made in the coming year's budget is Rs. 582 crores.

Therewithin in the budgetary support to SAIL will bring about a saving of Rs. 75 crores, while a smaller provision for KIOCL will reduce the expenditure by Rs. 60 crores.

Out of the budget provision for the coming year, Rs. 534 crores will be made available to SAIL by way of budgetary support towards its approved Plan outlay of Rs. 759 crores. The rest of the funds will have to be found by SAIL itself.

Another Rs. 35 crores will be provided to various other undertakings controlled by the Department of Steel including

KIOCL, National Mineral Development Corporation, Hindustan Sanitaryware Construction Ltd., and the Governments of Karnataka and Madhya Pradesh for certain schemes which will be of use to SAIL.

The budgetary support to SAIL includes Rs. 130 crores each for the Bokaro and the Visakhapatnam steel plants.

Outlay for Vengal Plant in 1980-81, the outlay on the Visakhapatnam project was Rs. 30 crores which in 1981-82 will go up to Rs. 130 crores.

The Bhilai steel plant gets Rs. 143 crores for its expansion schemes while the allocations for the Durgapur and Rourkela plants are Rs. 37.50 and Rs. 60 crores respectively.

The budget makes a provision of Rs. 10 crores for the Salem steel plant and Rs. 4 crores for the alloy steel plant at Durgapur. The provision for IISCO is Rs. 10 crores.

A token provision of Rs. 60 lakhs has been made for acquiring land, etc., for a steel plant at Vijayanagar.

## RESERVE BANK LIBERALIZES INTEREST RATES

Madras THE HINDU in English 2 Mar 81 p 6

[Text] Bombay, March 1.

The Reserve Bank has announced that while the rates under the differential interest rate scheme, term lending for small farmers, artisans in backward areas and exports under deferred payment terms are unchanged, some rates applicable to weaker sections have been liberalised.

The rates applicable for public procurement and distribution agencies have been restructured and the various categories of interest rates have been rationalised.

Overall, while there has been a modest increase in the structure of interest rates, care has been taken to minimise its impact on the weaker sections.

The rates are inclusive of interest tax and are effective from March 2.

Category of advances and rate of interest (inclusive of interest tax) are as follows:

I. Public procurement and distribution agencies.

1. FCI, State Governments/ agencies acting as agencies of FCI for procurement of foodgrains under full price support scheme, where the sales are at fixed prices through Government approved outlets.--12.50 per cent.

2. Advances to Central and State Government agencies entrusted with procurement/ distribution of specified essential consumer commodities for sale at fixed prices through Government approved outlets, the commodities being pulses, edible oils, kerosene, salt and sugar.--15.00

3. (1) Advances to Central and State Government agencies entrusted with the procurement and distribution of essential consumer commodities other than those specified in category (2) above--17.50

(ii) Advances to Central and State Government agencies entrusted with the procurement of cash crops viz, jute, cotton, etc. where there is an element of price support--17.50.

(iii) Advances to Central and State Government agencies entrusted with the procurement and distribution of fertilizers, pesticides and seeds.--17.50.

4. Advances to Central and State Government agencies entrusted with the procurement and distribution of commodities for sale on a commercial basis.--not exceeding 19.50.

## ii. Minimum lending rate

(For commodities coming within the purview of selective credit control).

(a) Loans/advances/cash credit/overdrafts against commodities subject to selective credit control--19.50.

(b) Sugar mills in respect of all stocks--17.50.

## iii. Exports

1. Pre-shipment credit (a) specified medium and heavy engineering goods and construction contracts--upto (i) 180 days--12.50; beyond 180 days and upto 270 days--15.00; (b) other specified goods (e.g. carpets, leather manufactures, coir, cashew, tobacco, etc., upto 180 days--12.50.

(c) Other goods and consultancy services (i) upto 90 days--12.50; (ii) Beyond 90 days upto 135 days--15.00;

(d) Against cash incentives etc. covered by ECGC Guarantee (upto 90 days)--12.50.

## Post-shipment credit

(a) Demand bills--for transit period--12.50; (b) usance bills--upto 180 days comprising usance period of the export bill, transit period as specified and grace period wherever applicable--12.50; (c) cash incentives, duty draw-back, etc., receivable, covered by export production finance guarantee of ECGC (upto 90 days)--12.50; (iv) Undrawn balances (upto 90 days)--12.50; (v) Against retention money (for supplies portion only) payable within one year from the date of shipment (upto 90 days)--12.50;

## Deferred Credit

Deferred credit for period beyond one year.--8.65.

Duty draw-back credit scheme, 1976 against duty drawback as provisionally certified by the customs authorities (upto 90 days)--free of interest.

## IV. Agriculture

1. Loans to small farmers upto Rs. 3,000 (short medium and long term)--12.50; 2. Loans upto Rs. 3,000--also over Rs. 5,000 and up to Rs. 25,000--not exceeding 15; 3. Above Rs. 25,000--not exceeding 17.50.

## V. Small-scale Industry

1. Composite loans upto Rs. 25,000 (a) backward areas--10.25; (b) other areas--12.50;
2. Short-term advances, limits of: (a) upto and inclusive of Rs. 2 lakhs--not exceeding 15.00; (b) over Rs. 2 lakhs and upto Rs. 25 lakhs--not exceeding 17.50; (c) above Rs. 25 lakhs not exceeding 19.50.

## VI. Other Categories

1. DRI advances.--4 2. Retail trade advances (a) limits upto and inclusive of Rs. 5,000--12.50; (b) over Rs. 5,000 and upto Rs. 25,000--not exceeding 15.00; CGL above Rs. 25,000--not exceeding 19.50; [as published]
3. Priority sector not otherwise specified--not exceeding 17.50
4. All other advances--not exceeding 19.50.

## VII. Term Loans

### 1. Small Scale Industry

- (i) units as in the new definition of SSI: (a) backward areas--12.50; (b) other areas--13.50;
2. Agriculture: (i) minor irrigation and land development--10.25; (ii) other purposes (a) small farmers--10.25; (b) other farmers--12.50;
3. Housing (i) SC/ST upto and inclusive of Rs. 5,000--4.00; (ii) others upto and inclusive of Rs. 5,000--12.50; (iii) over Rs. 5,000 and upto Rs. 50,000--13.50; (iv) above Rs. 50,000--15.00.
4. Road Transport operators (i) single vehicle--12.50; (ii) two or more vehicles--15.00.
5. All other term loans--15.00.

CSO: 4220

## BORDER SECURITY FORCES COMMUNICATIONS IMPROVED

New Delhi PATRIOT in English 2 Mar 81 p 4

[Text] Any outpost of the Border Security Force anywhere along the border can get in touch with the headquarters in Delhi within 10 minutes.

The force is being used to counter enemy threat at the borders, handle internal security problems and aid the civil authorities during disasters, like floods and landslides.

The BSF communication set-up therefore has to be flexible enough to communicate both with the Army and the police forces.

The BSF Communication Branch has today acquired that flexibility, claimed Inspector-General (Communications) and Director of Police Wireless C P Joshi on Sunday while briefing newsmen at the BSF Training School in Tigri in the Union Territory of Delhi on the occasion of the 12th Communication Day.

Since its founding on 1 March 1969, said the IG, the communication branch had come a long way. The extensive scale of communication could be judged from the fact that it had over 10,000 radio sets, including 60 high-power long-distance ones.

Field cable lines extend to approximately 12,000 km. All equipment is now being obtained from indigenous sources. For maintaining the gigantic system, the force has built up its own infrastructure of training establishments and workshops.

The BSF communications, said the IG, had proved its worth on a number of occasions in the 1971 war, for one, and again during the 1975 railway strike when extensive radio communications were provided to the Railways in the vitally important coal belt areas to facilitate coal movement.

The BSF flew manpower and radio equipment to Morvi, site of the dam disaster, helping considerably the State Government in organising swiftly relief and rehabilitation measures in the entire flood-affected area. On other occasions, it has given massive assistance to States like Bihar, Uttar Pradesh and Assam by repairing large quantities of their defective equipment.

Today, professionally competent Corps of Communication Officers and men man over 1,700 posts under difficult conditions in discharge of their duty in policing the country's vast borders.

CSO: 4220

## OFFICER EXAMINES PROBLEMS OF MILITARY MORALE

New Delhi PATRIOT in English 25 Feb 81 p 2

[Article by Group Captain A. L. Bery]

[Text]

**S**TAGE by stage, the recently announced military cadre review is being implemented. Certain posts at Army Headquarters, once filled by Brigadiers, are now occupied by Lieutenant-Generals. There have been some strange consequences, e.g. higher upgradations leading to loss of acting rank much lower down the line. In announcing a second group of upgradations, Army HQ hastened to announce that the earlier upward event would not recur. What is the overall status of morale in the defence forces? Not surprisingly, the degree of action (or inaction) on the civilian governments at the Centre and the States is the largest single factor governing certain components of morale. The law and order situation, inflation and corruption (spreading like wild-fire) are the three significant factors.

The law and order situation is now menacing. To take only the case of the Army, so many as 80 per cent of its recruits come from the rural areas and are thus directly affected by events in the countryside. In places such as Bihar and the eastern UP, there are uncomfortable reports of large gangs robbing and killing by broad daylight in the rural areas. The reports are too numerous to be ignored. Concurrently, public esteem of the police forces in most parts of the country is now at its lowest level since 1947, a fact not aided by the demoralisation of the officer cadre of the police

forces. A current civilian imperative could be to raise the low-level political and administrative calibre of the Ministry of Home Affairs to the higher needs of the hour. Army jawans, living in difficult areas and often under uncomfortable conditions, need to be reassured about conditions at home. Only then can we be assured about their performance on the frontiers, rhetoric from politicians and military superiors notwithstanding.

Inflation hits harder the city dweller than it does the villager, a matter of greater concern to the Navy and the Air Force in view of their recruitment patterns. The villager is partly cushioned from the impact of inflation by reason of his own agricultural output and his life style. Then, the Army Chief's announcement on the commencement of group housing schemes at Delhi and elsewhere will be warmly welcomed. While Naval and Air Force schemes are still to be announced, there will be considerable regret that the Delhi administration could give only about one-third of the land area required by the Army alone. This is at a time when large-scale demolition of older buildings is in progress in many areas of the Capital. At the very least, military Group Housing Schemes are likely to act as a catalyst to improvements in civilian construction which, if not effected soon, may turn large areas of the Capital into civilian slums of the worst kind.

In respect of corruption, perceptive observers are beginning to draw a parallel between India and countries where corruption is tolerated by all as a way of life. It is the norm in better-run countries that, at the level where the law-abiding citizen and the state functionary meet, there should be no hint of corruption. In areas such as Delhi, military personnel are required to fend for themselves to an extent much greater than elsewhere in the country. They thus cannot be unaware of the current extent of the rot. The services could endeavour to maintain their own standards and try and relieve their officers and men of some of the daily chores being thrust on them. In passing, the later existence and even safety of corrupt civilian functionaries may be in some danger in the future. With decisive results, at least two civilian functionaries were left in doubt of this score within the knowledge of this writer.

Of course, the general thrust of the military cadre review is to lengthen careers that are too short for the bulk of service personnel, officer and man alike. Have the services themselves gone far enough in this area? The capability of extensive physical exertion and quickness of thinking remain the characteristics of youth; the services have always been correct in these assumptions. However, if a particular situation permits a somewhat longer reaction time, then



maturity comes into its own. In this specific context, the older and more experienced will arrive at a more rational and better decision. The services have still not yet paid full attention to this particular argument, exemplified in the older age of transport pilots. The services could (and should) examine for full content each particular branch and group of posts, with a view to permitting retirement ages more comparable to those pertaining to the civilian equivalent. No single other measure would do more to relieve military anxieties. For the blunt fact is that the military cadre review does most for its senior officers: still longer careers for those who rise in the services and post-retirement benefits in industry, trade and government captured by an already successful minority.

Based on their respective salaries, a false analogy is often sought to be drawn between civilians and military personnel. The comparison is even more odious when incomes are compared with the business community which possesses a somewhat easy approach to ethics and morality. As in the USSR, the military must be treated as the elite they really are: one with duties and responsibilities harsher than for other groups. Their salaries, perquisites and privileges must be governed accordingly.

Since civilian organisations and firms have difficulty in cor-

relating civilian educational and professional qualifications with those of the military, the present efforts of the services to secure scales of comparison are understandable and could be programmed. A better method might be to depute military personnel for post-graduate qualifications that are widely accepted in civilian life, e.g. those of the IITs and the better-known Institutes of Management.

Naturally enough, lateral entry of military personnel at higher levels in any civilian organisation is resisted. By proper selection, the services could ensure that such personnel are from the best available and thus more likely to succeed in a hostile atmosphere. However, no improvement can take place unless the services protect the interests of their serving personnel in fields more suitable for their abilities. Air Headquarters has failed to support the further entry of its pilots into the two national airlines, even where the interests of these personnel are coincident with the air safety needs of passengers and expensive civilian aircraft. Disparities between treatment of serving and retired military personnel at ration stands, canteens and (in a recent case) Officers' Messes is difficult to condone. It is even foolish as all now serving will retire in due course.

In spite of the still-awaited improvements to service careers and later employment, a (fairly-

large) hard core of personnel will remain without gainful employment after their retirement. The pensions and other perquisites of such personnel need examination in detail so as to check further decline in their financial status. Even if we disregard the interests of the retired, it is impossible to ignore the impact on serving personnel and the unpleasant range of implications on their conduct.

In late 1973, this writer stayed at three Army and one Air Force Officers' Mess. Not a single officer of the rank of Major (or equivalent) could then be assessed as contented — a fact brought to the notice of one headquarters. In the beautiful grounds of one fine Officers' Mess stood the barracks housing men of two services. Their conditions were derogatory to both comfort and dignity: even 20 years ago, no thinking superior would have tolerated such conditions for more than one week. Once again, the services must look after their own if they wish the civilian administration to give full justice to defence personnel.

As the Chief of Army Staff said during his message to all ranks on the occasion of Army Day on 15 January: "We must always remember that man is the primary instrument of war and the leader its cutting edge". The cutting edge is well looked after but what about the primary instrument?



## DEFENSE MINISTRY REPORTS IMPROVEMENTS TO HOUSE

Calcutta THE STATESMAN in English 24 Feb 81 p 9

[Text] New Delhi, Feb. 23.--While paying "due attention" to the short-term measures that may be necessitated by the happenings across the country's borders the Government is involved in "imaginative perspective planning in regard to India's defence needs and of the defence industrial sector drawing proper balance between manpower, equipment and facilities."

In the course of a survey circulated among MPs last week the Defence Ministry has pointed out that there is no slackness of vigil to safeguard the territorial integrity and sovereignty of India. To ensure maximum effectiveness of the armed forces the Government was procuring new equipment replacing the old and the obsolete it was providing improved career prospects for the personnel and better promotion avenues had been provided at all levels in all the three Services. [as published]

The survey takes note of the significant developments "around us in the recent past". These had a direct bearing on the security of the country and had been a cause of much concern. These developments had brought the big-Power confrontation into the country's immediate neighbourhood and had had destabilizing effects both in South-east and South-west Asia. There were signs of re-emergence of cold war postures, belying assumptions that detente and the processes underlying it had acquired durability. As a result, the country's geo-strategic and geo-political environment had become more complicated and complex.

The survey refers to the escalation of global rivalry between the USA and the Soviet Union which it notes had also had its effect in the Indian Ocean.

In the wake of the Iranian revolution and the "qualitatively new situation arising out of the Soviet presence in Afghanistan" the USA had made a visible escalation of its naval presence in the Indian Ocean.

## Soviet Stance

The Soviet Union, "in an attempt to achieve balance", had enhanced its presence in the area. India could not but view these developments with concern. "In keeping with our known policy on this issue, India is committed to intensifying our effort to mobilize international opinion for the implementation of the zone of peace concept for the Indian Ocean".

It is against this backdrop that the survey says that the Government "takes note of all happenings across our borders which could have a bearing on our security and has initiated appropriate remedial measures".

The survey goes on to list the steps taken by the Government during the past one year to tone-up the defence apparatus through improved service conditions and better promotion prospects for men and officers in all the three Services and through the acquisition of latest equipment and by generally trying to improve the teeth-to-tail ratio of the three Services.

Simultaneously efforts were on to step up the drive to indigenize the manufacture of most of the equipment needed by the Services. Research and development too were being accorded due importance with substantial fresh financial allocations made to it. [as published]

Talking to reporters on the survey a Defence Ministry source indicated that the Government stood committed to implementing the first part of the agreement with British Aerospace about the supply of Jaguar aircraft. The second part covering manufacture of the aircraft within the country was under review. But, according to reliable indications, this part of the deal may be scrapped. India has been on the look out for another strike aircraft. French Mirages are still very much under consideration. In the meantime, the Soviet Union has agreed to supply the latest version of MIG 23s. Some of them, such as the Jaguar, have already arrived.

## BRIEFS

**TRIPURA ARMS IMPORTATION**--Agartala, March 1 (PTI): The Tripura Upajati Juba Samity (TUJS) extremists are smuggling in arms from foreign countries with the intention to "wage an armed struggle" against the present government in the state as the samity has lost "faith in democracy." This was stated by the Tripura chief minister, Mr. Nripen Chakrabarti, while addressing a rally organised by the ruling left front here last night. Mr. Chakrabarti said some TUJS extremists were still imparting arms training somewhere across the border and this was being carefully watched by the present government. [as published] [Text] [Bombay THE TIMES OF INDIA in English 2 Mar 81 p 1]

**FORMER GOA MINISTER**--Former Goa minister, Mr. Anthony D'Souza, died here today after prolonged illness. He was 51. Mr. D'Souza was admitted to the Harkisondas hospital on December 13 for liver treatment. He is survived by his wife, son and a daughter. Mr. D'Souza was the industries minister in the Bandodkar ministry after Goa's independence. Popularly known as "Tony D'Souza", he played an active role in the freedom struggle. He was also the mayor of Panaji in 1964. Mr. D'Souza's body would be taken to Goa by road tonight and the last rites will be performed at Tivi tomorrow. [Text] [Bombay THE TIMES OF INDIA in English 2 Mar 81 p 5]

**ARUNACHAL OIL RESERVES**--Shillong, February 28: New oil reserves have been discovered in the Kharsang area of Arunachal Pradesh, according to authoritative sources. These sources said that Kharsang well 6 indicated the existence of oil in a hitherto untested fault structure situated to the west of Kharsang well three, from where oil first flowed in Arunachal Pradesh in 1976. [Text] [Bombay THE TIMES OF INDIA in English 2 Mar 81 p 6]

**TRIPURA MARXISTS**--Agartala, March 1: The CPM unit in Tripura has suffered a setback following the recent enhancement of bus fares by the left front government and the CPI's decision to oppose it. The argument advanced by the left front government that after the increase in the prices of the petrol and petroleum products, effected by the Centre and its refusal to concede the state's demand for an adequate subsidy, the left front government had no alternative but to raise bus fares has not convinced the CPI. [as published] The CPI's annoyance can be gauged from the fact that it did not rest content with the threat of a stir against the fare hike but has also decided to dissociate itself from the joint political campaign, which was earlier decided upon by the left front and the CPI. On January 27, the CPM, the CPI, the RSP and the Forward Bloc leaders had agreed at a meeting to launch a campaign to counter the drive by the Congress (I), the Tripura Upajati Juba Samity (TUJS) and the Amra Bangali against the left front government. [Text] [Bombay THE TIMES OF INDIA in English 2 Mar 81 p 20]

LOK DAL DETAINEE--Raipur, March 1 (PTI)--Former Union Minister and president of Madhya Pradesh Lok Dal Purushottam Kaushik has declined to be released on a personal bond. Mr Kaushik who was detained in Raipur central jail, received a communication from the first class magistrate that he could be released by furnishing personal bond, which he refused saying that his arrest was illegal. Mr Kaushik was arrested on 21 February at Rajahara under Section 151 when he had gone there to collect facts about reported police excesses. [Text] [New Delhi PATRIOT in English 2 Mar 81 p 4]

BOMBAY POLICE CHANGES--Mr. S. K. Chaturvedi, till now special inspector-general of police (I), today replaced Mr. R. L. Bhinge as inspector-general of police (I.G.P.), Maharashtra, in what is considered a "shakeup" in police circles in the state. Mr. Bhinge has been appointed officer on special duty (I) in the home department at Mantralaya. Mr. D. A. Khamgaonkar, who was special I.G.P. (II) has also been appointed officer on special duty (II) in the home department. Mr. Bhinge and Mr. Khamgaonkar are likely to be appointed as chairman and member, respectively, of a committee for recruitment of non-gazetted police personnel, it is learnt. [Excerpt] [Bombay THE TIMES OF INDIA in English 25 Feb 81 p 1]

CONGRESS(I) WIN--Nasik, February 24 (UNI): The Congress (I) captures the Nasik Zilla parishad today with the body approving no-trust motions against the president, Mr. T. Z. Pawar, and the vice-president, Mr. Ashok Mogal, with overwhelming majorities. The party nominee is likely to be installed president soon. The censure moves followed hectic political activity since the Maharashtra chief minister, Mr. A. R. Antulay's visit to the city last week when the Congress (U) MLC, Pandit Dharma Patil, joined the Congress (I). [Text] [Bombay THE TIMES OF INDIA in English 25 Feb 81 p 1]

STATES' RIGHTS--New Delhi, February 24 (PTI): The Union finance minister, Mr. R. Venkataraman, replied in the negative when asked in the Rajya Sabha today whether state finance ministers were allowed to negotiate directly with foreign governments for their projects. The minister told Mr. Manubhai Patel that negotiations with foreign governments might be held by the Central government only. Where necessary, the Central government would suitably associate officers of the state government or agency in the negotiations. [Excerpt] [Bombay THE TIMES OF INDIA in English 25 Feb 81 p 13]

ANDHRA PRADESH SPEAKER--Hyderabad, February 24: The unanimous election of speaker of the assembly, a walk-out by a section of the opposition in the legislative council and the start of the debate on a motion of thanks to the governor's address featured the legislature proceedings today. The election of Mr. Kona Prabhakara Rao as speaker was unanimous like that of Mr. Mukassir Shah as chairman of the council yesterday. Mr. Shah had been deputy chairman or chairman of the upper house for ten years and is well liked by the ruling party as well as the opposition. Coming from Banatla in Guntur district, Mr. Rao was a leader of the student movement, a basketball and badminton player. He was also a stage and screen actor, a film producer and director. He was a practicing lawyer, having a B.A., LL.B. degree from the University of Pune. The walk-out in the council was due to the resentment to certain statements made by the finance minister, Mr. G. Pratapa, regarding the problems of teachers and pensions for the retired ones. [Excerpt] [Bombay THE TIMES OF INDIA in English 25 Feb 81 p 13]

TRIBUNAL ON FOREIGNERS--Shillong, Feb. 23. The Meghalaya Governor, Mr. L. P. Singh said today the Centre had deployed additional companies of Border Security Force to cope with infiltration of foreign nationals along the 423-km. border with Bangladesh. In his address opening the 40-day budget session of the Assembly, Mr. Singh said a one-member tribunal had already been set up to expedite the process of detection and deportation of foreign nationals from the State. The State's Rs. 235 crores Sixth Plan and the Rs. 46.55-crore 1981-'82 annual Plan were aimed at making the Scheduled Tribes and other weaker sections self-reliant without interfering with their traditional ways of life, the Governor said.--PTI. [Text] [Madras THE HINDU in English 24 Feb 81 p 11]

ASSAM MINISTRY EXPANSION--Gauhati, March 1.--One more Cabinet Minister has been inducted into the Anwara Taimur Ministry bringing its strength to 16, reports UNI. A Government notification said last night that Mr Sonaram Thaosan was sworn in on February 26 as Cabinet Minister at Raj Bhavan in Shillong by the Governor, Mr L. P. Singh. Mr Thaosan was allocated the portfolios of Soil Conservation and General Administration (Stationery and Printing). His name was on the list submitted by Mrs Taimur on February 23 when five more Ministers were sworn in a second expansion since here assumption of office on December 6. [as published] But he did not turn up for the swearing-in ceremony on that day. [Text] [Calcutta THE STATESMAN in English 2 Mar 81 p 1]

RECORD STEEL OUTPUT--The country achieved an all-time record in monthly steel production in February when 449,000 tons of saleable steel were produced, according to the Union Steel and Mines Minister, Mr Pranab Mukherjee. The Minister said in Calcutta on Sunday that the performance was significant because it was achieved in 28 days. He said that record production had been possible only because of satisfactory industrial relations in the steel industry. There had been occasions when the employees' representatives had met him not for their economic demands but for better supply of electricity and other raw materials to the plant for raising production. [Text] [Calcutta THE STATESMAN in English 2 Mar 81 p 1]

ALUMINA PROJECT FUNDING--After protracted negotiations, India has secured an Euro-dollar loan of \$680 millions for the alumina project in Orissa. The agreement for the loan was signed in Paris yesterday by representatives of the lending banks and Mr. R. Ganapathy, Additional Secretary in the Ministry of Mines, in the presence of the Indian Ambassador, Mr. M. Rasgotra. The 10-year loan carries an interest of half per cent over the London interbank official rate for the first four years and 0.58 per cent for the remaining six years.--UNI. [Text] [Madras THE HINDU in English 2 Mar 81 p 7]

NEWSPAPER EDITORS' CONFERENCE--New Delhi, March 1. The All-India Small Newspaper Editors' Conference has described the duty on imported newsprint as a "direct threat to press freedom." In a statement today, AISNEC said this would create an atmosphere of discrimination between small and medium papers. It feared many small newspapers might have to close its publications. AISNEC President Pramod Arya urged te Finance Minister to withdraw this duty and abolish sales tax on newsprint. [as published] Commenting on the budget, Mr. Advani, BJP General Secretary, told pressmen in Mangalore the impost on newsprint was a retrograde measure. [Text] [Madras THE HINDU in English 2 Mar 81 p 9]



ASSAM PERIODICAL CENSORED--Gauhati, February 27 (UNI): The Assam government has imposed pre-censorship on the Assamese biweekly, AGGRADUT, published from here. The bi-weekly editor, Mr. Kanaksen Deka, said he had received an order to this effect from the government. Meanwhile, three main dailies of the state--The ASSAM TRIBUNE (English), the DAINIK ASOM (Assamese), both published from here, and the DAINIK JANAVBHUMA (Assamese) published from Jorhat had been subjected to pre-censorship under the Assam special power (press) act, 1960. [Text] [Bombay THE TIMES OF INDIA in English 28 Feb 81 p 1]

MIZORAM DISTURBED AREA--Aizawl, March 4 (UNI)--Mizoram Lt Governor N P Mathur has declared the whole of the Union Territory as a disturbed area for another six months from 20 March, according to an official press release issued here today. The release said there were forces which tried to disrupt peace in Mizoram. The situation was not satisfactory and assistance of armed forces was necessary to help the civil administration maintain peaceful climate and provide security to loyal citizens. The order was issued under the Assam Disturbed Areas Act and Armed Forces (special powers) Act, the release added. [Text] [New Delhi PATRIOT in English 5 Mar 81 p 8]

AKALI DAL-T SECRETARY--Amritsar, March 4 (UNI)--The Akali Dal-T suffered a major setback today when its general secretary Bharpoor Singh Balbir resigned his post. In his resignation letter to party chief Jagdev Singh Talwandi, Mr Balbir alleged that a six-page pamphlet has been distributed which carried allegations against him. This, he added, 'is intolerable.' [Text] [New Delhi PATRIOT in English 5 Mar 81 p 10]

FORMER MINISTER DIES--Bhopal, March 4 (UNI)--Former Madhya Pradesh Minister Umrao Singh died here this evening following a heart attack. He was 63. Mr Singh, who was Minister for Harijan Welfare in Mr Shyamacharan Shukla's cabinet, is survived by his wife, three sons and three daughters. Beginning his public life as a trade unionist, Mr Umrao Singh was first elected to the then Bhopal State Assembly from Sehore district in 1952. He became a Deputy Minister in Mr B R Mandlani's cabinet in 1963 and Minister of State in 1972. [Text] [New Delhi PATRIOT in English 5 Mar 81 p 10]

NEW RICE VARIETIES--Jabalpur, February 23 (UNI): The Jawaharlal Nehru Krishi Vishwa Vidyalaya (JNKVV) here has developed some dwarf and early-maturing varieties of the rice grain, of which seven varieties have been released for general cultivation recently. According to JNKVV sources, of the seven varieties, 'Samridhi', a dwarf of the early-maturing--125 days--variety, is suitable for heavy soils, particularly for areas affected by gall midge. It is resistant to bacterial leaf blight and other diseases. Its average yield is 45 quintals per hectare and its grain is 'medium slender'. 'Ashi' and 'Usha' are dwarf, medium-duration varieties--130 days--suited to medium-to-heavy soil with average yields of 45 quintals each. Both these varieties are resistant to bacterial leaf blight, brown spot, blast, tungro virus and pests such as leafhopper, leaf rollers and case worms. The grain of 'Usha' is 'long bold' while that of 'Ashi' is 'long slender', the sources said. [Text] [Bombay THE TIMES OF INDIA in English 25 Feb 81 p 1]

**MEDIA ADVISORY PANEL**--The Ministry of Information and Broadcasting has set up an advisory committee to advise the ministry on various matters relating to policies and programmes including structural changes in the various media organisations of the ministry and if necessary, in the ministry itself to bring about greater professional efficiency and improvement, reports PTI. This was stated in the Lok Sabha by Deputy Minister for Information and Broadcasting Miss Kumud Joshi. [Text] [New Delhi PATRIOT in English 25 Feb 81 p 5]

**NORTHEAST RUBBER POTENTIAL**--Surveys have revealed immense potential for rubber production in the north eastern region Minister of State for Commerce K A Khan said in the Rajya Sabha on Tuesday. According to preliminary estimates, there is land suitable for rubber plantation to the extent of one lakh hectares in Assam, 25,000 hectares in Tripura and 20,000 hectares in Mizoram, Meghalaya, Arunachal Pradesh, Nagaland and Manipur put together. The Rubber Board has indentified 5,700 hectares as suitable in selected tracts in Nagaland. [as published] [Text] [New Delhi PATRIOT in English 4 Mar 81 p 5]

**ENGINEERS IN ASSAM**--Chief of the Army Staff general O P Malhotra, on Tuesday commended the work done by the officers and men of the corps of engineers in flushing stagnant crude from the pipelines in Assam recently, reports UNI. Gen Malhotra was inaugurating the three-day conference of chief engineers and commandants of the corps, which began in Delhi on Tuesday morning under the chairmanship of Lt. Gen S N Sharma, Engineer-in-Chief. He impressed upon the senior officers that the equipment they were using was becoming increasingly sophisticated and it was imperative that better maintenance techniques were used to preserve it. Gen Malhotra presented the best zonal trophy to Brigadier B M Seth, Chief Engineer, Bengal zone and the best project trophy to Mr V K Gupta, Chief Engineer (projects), Itarsi. [Text] [New Delhi PATRIOT in English 4 Mar 81 p 7]

**BENGAL TU LEADERS**--Calcutta, March 3--The annual conference of the West Bengal Committee of the INTUC held last Sunday at Birlapur elected Mr Subrata Mukherjee as the president of the BPNTUC. The former president of the ad hoc Committee Ananda Gopal Mukherjee MP has been elected as one of the vice-president. [Excerpt] [New Delhi PATRIOT in English 4 Mar 81 p 7]

**GENERAL PROMOTED, TRANSFERRED**--Major General Y D Saharabudhe, northern command, has been promoted to the rank of Lieutenant General and appointed Director of Supplies and Transport at the Army Headquarters, says UNI quoting an official release. He succeeds Lieutenant General Amar Singh who has since retired. General Saharabudhe is the Colonel Commandant of the Army Service Corps. [as published] [Text] [New Delhi PATRIOT in English 2 Mar 81 p 10]

**MEGHALAYA CONGRESS(I)**--Shillong, March 2 (PTI)--Meghalaya Minister for Transport Reidson Momin (APHC-ruling) and an independent member of the State assembly Dr Mukul Das have been admitted into the Cong-I according to the State unit of the party today. With their admission, sources said, the party's strength in the 60-member Assembly had risen to 13. Mr Momin had earlier resigned from the All-Party Hill Leaders Conference (ruling) led by Chief Minister B B Lyngdoh. [Text] [New Delhi PATRIOT in English 3 Mar 81 p 1]



DETAINEES IN PAKISTAN--New Delhi, Feb. 27. Over 300 Indian nationals, including some defence personnel, are believed to be detained in various jails in Pakistan, according to the Government's latest information. The Government have been taking up the question of their release and repatriation to India with the Government of Pakistan, both through diplomatic channels and in the course of various high-level bilateral discussions. [as published] The efforts in this regard continue, the External Affairs Minister, Mr. P. V. Narasimha Rao told the Rajya Sabha at question-time today.--PTI. [Text] [Madras THE HINDU in English 28 Feb 81 p 7]

FOREIGN DEBT STATISTICS--New Delhi, Feb. 27. India's outstanding foreign debt as on December 31, 1980 worked out to Rs 13,147 crores, the Finance Minister, Mr. R. V. Khattar, told the Lok Sabha today. It owed the largest amount to the IDA an affiliate of the World Bank and is giving loans on soft terms. Other major creditors are: the USA (Rs. 2,562 crores), West Germany (Rs. 1,423 crores) and Japan (Rs. 998 crores).--UNI. [Text] [Madras THE HINDU in English 28 Feb 81 p 7]

OIL FROM UAE--New Delhi, Feb. 27. The United Arab Emirates have promised to enhance oil supplies to India from one million tonnes a year to 1.5 million tonnes during 1981. This was stated by the External Affairs Minister, Mr. P. V. Narasimha Rao, in the Lok Sabha during question hour on Thursday. It had been erroneously stated by PTI yesterday that USA had promised to enhance supplies. [Text] [Madras THE HINDU in English 28 Feb 81 p 9]

CSO: 4220

INDONESIA HAS LOW PRIORITY IN REAGAN FOREIGN POLICY

Jakarta SINAR HARAPAN in Indonesian 29 Jan 81 p 4

[Article: "According to Juwono Sudarsono, Indonesia Is in the Lowest Category in the Reagan Foreign Policy Priority List"]

[Excerpts] Dr Juwono Sudarsono of the Faculty of Social Science of the University of Indonesia has stated that in U.S. foreign policy under the administration of President Ronald Reagan Indonesia will be located in the lowest rank of priority.

Juwono later said that Reagan's primary emphasis during his term in office will be the Persian Gulf, which supplies a substantial part of the oil needs of the U.S. and of its Western allies. He made this statement on the occasion of a panel discussion which had the theme, "Indonesian-American Relations in the Next Four Years."

He said that second priority would go to the countries of Europe. Relations with the countries of Western Europe will be strengthened in the sense of consolidation to face up to the problem of oil supply from the Middle East. The third priority will go to Asia, with the U.S. center of attention directed toward Japan. The U.S. wants Japan to play a military role in the Asian-Pacific area. For that reason the U.S. hopes that Japan will increase its defense budget, which is now 0.7 percent [of GNP].

He discussed the background of the circumstance that the Republic of Indonesia has a low profile foreign policy. Dr Juwono stated that at the time that disturbances broke out in Indonesia, as a consequence of the abortive coup d'etat movement known as the G30S/PKI, the U.S. quickly appreciated the situation that had developed in Indonesia. At that time the U.S. rapidly took steps to provide food aid to Indonesia amounting to \$3 million, because at that time Indonesia was very short of food. However, so that it would not be too apparent that the U.S. supported Indonesia in facing up to the domestic disturbances mentioned above and also to avoid charges from other countries that the CIA had played a role in ensuring the failure of the G30S/PKI movement, the appearances of bilateral Indonesian-U.S. relations were avoided.

Dr Juwono stated further that if Reagan pays particular attention to the Southeast Asian countries, the priority will be given to improving relations with the countries of Indochina, and especially Vietnam. However, to the extent that the U.S. still emphasizes relations with the larger countries, relations with Hanoi will be set to one side. For that reason there should be no illusions that Southeast Asia will get much attention from Reagan.

Consequently, ASEAN will be placed in the back row, as will Indonesia in particular. In the immediate future the U.S. government will watch closely the implementation of the general elections in Indonesia in 1982 under the administration of President Soeharto. It is in this framework that the U.S. will decide how far it can provide assistance to Indonesia.

Chalid Mawardi agreed with Juwono that the priority attention of the U.S. in foreign policy will be first directed to the Persian Gulf and that ASEAN will have the lowest priority.

Meanwhile, Dr H Imron Rosjadi, former chairman of Committee I of Parliament and now a member of Committee I, said that, in terms of Indonesian relations with the U.S. in the next 4 years under the leadership of the new President, Ronald Reagan, there are clear signs for Indonesia, particularly in the field of food aid. The problem, Imron said, is that the U.S. has been accustomed to give assistance to a country when there were difficulties for that country in facing up to disturbances caused by communism. Food aid like this has often been an invulnerable weapon for the U.S. in facing up to its opponents. Imron may have been intending to refer to the embargo on wheat sales to the Soviet Union and similar matters.

Meanwhile, U.S. assistance has always been connected to human rights, and this has been very disturbing to many Third World countries, he said.

In his remarks, which gave greater emphasis to his hopes than to his opinions, Imron said that the U.S. should improve its relations with the Third World countries. Whatever the circumstances, the U.S. cannot ignore the increasingly decisive role of the Third World. In this context the Republic of Indonesia should abandon its low profile foreign policy role, and we must be active.

"Set up in Indonesia a national secretariat of non-bloc movements, set up the secretariat of the Islamic Conference Organization. With such a role Indonesia can obtain better results from the present Reagan administration," Imron said.

Chalid Mawardi, who is also a former chairman of Committee I of Parliament, did not agree with Imron that food assistance to countries receiving aid from the U.S. was always involved with human rights. In any case the production of food exported by the U.S. is from surplus stocks, which will be sold without political conditions.

# EXTREMISM EXAMINED IN SOCIO-POLITICAL CONTEXT

Jakarta TEMPO in Indonesian 3 Jan 81 pp 8-10

[Article: "Left, Right, Left, Right..."]

[Text] Is it true that the extreme left is the PKI and the extreme right is the DI/TII [Dar ul Islam movement]? Extremist attitudes emerge when all roads to solutions of current problems are blocked, and any person can fall into extremism.

The term "extreme" has recently begun to circulate again. There are also many government officials who are using it, including Minister of Internal Affairs Amir Machmud. On the occasion of installing in office the new governor of South Kalimantan, Brig Gen Mistar Tjokrokoesoemo, at the end of last November, Amir Machmud once again warned of the existence of a danger from extremist groups, both "Left" as well as "Right." "The groups," the minister of internal affairs said, "are trying to destroy the unity of the New Order by means of confrontation, incitement, and slander." Their objective, among other things, is "to make the 1982 general election fail."

Extreme leftist groups generally are connected with communism, while the extreme rightist groups are regarded as Muslims who want to establish an Islamic state. Is this view correct? Who can really be said to belong to an extremist group?

"The meaning of extremism in Indonesian political life is not only limited to the extreme left and right," says Dr Alfian, 40 years old, director of the National Cultural Research Association, LIPI. While closing his eyes and brushing back his hair, he continues: "Extremism refers to a person or a group of persons who hold views relying on force, fanaticism, a narrow view of an idea, ideology, or opinion which they hold."

"An extremist attitude can emerge also as a result of feelings related to ethnic origins, social grouping, or as a result of frustration. Extremism is not always motivated by ideology. For example, there are the RMS group (Republic of the South Moluccas), the movement of Andi Azis [in southwest Celebes], and the anti-Chinese movement. Each community grouping, if it is looked into carefully, has at one time or another had an extremist view--whether looked at from the point of view of ethnic group, religion, social grouping, or political attitude," he believes.

Alfian means that every person can fall into an attitude of extremism. "A person can fall into extremism when he considers that only he is right," continues the

doctor, who obtained his Ph D in political science at the University of Wisconsin in the United States. A person can also become an extremist because he rejects the criticism and views of another person who is also considered an extremist. It can happen that excessive fear of extremism may also lead to another kind of extremism.

### Black and White

Extremism is not always followed by radicalism. As an example Alfian mentions the people of Central Java, who are considered calm and open in attitude. "However, radical action has occurred there," Alfian says. According to him, this proves that extremism can occur in anyone and at any time. "Extremism in the political sense can occur among students, politicians, and other community groupings, including the government," Alfian states.

It appears that in Indonesia the meaning of extremism has shifted from its original limits. While a government official may accuse this or that group of extremism, he clearly means and treats that group as outside the government.

Those who most frequently feel such an attitude are the political parties. "The use of the term extremism now is no longer in accordance with the philosophy of extremism. The meaning of extremism now is its use by leaders for politicking (playing politics), in order to damage their political opponents," Chalid Nawardi, a member of Parliament for the Unity for Development fraction [F-PP], declares.

According to Chalid, the government has generalized and easily includes anyone at all in two extreme groups: left and right. The extreme left is connected to the PKI, while the extreme right is always connected to the DI/TII/PRRI, which sought to establish an Islamic state. "The objective is clear, that is, to eliminate political opponents," says the general chairman of the Anser Youth Group.

Chalid considers that some government officials look at reality in exclusively "black" and "white" terms. "Anyone who remains silent and does not express corrective criticism is regarded as having the right attitude. On the other hand, anyone who has a critical or corrective attitude is always labeled an extremist," he says. This is caused by the attitude of some officials, who are too sensitive to criticism, as a result of the feudal system which clearly is growing.

Chalid says that playing with the label of extremism specifically does not support the development of a democracy. What this attitude focuses on is not the substance of the question being presented but rather the person who presents it. If the one who presents the matter is already, a priori, regarded as of the extreme left or extreme right, clearly the door to discussion will immediately be closed.

Chalid says:

Extremism is a label that is used by the government, which is a very dangerous thing. It is a label that is used to label anyone who is not in line with the government's policy. The definition of extremism is always connected with extreme right, because the government's desire to hang it on whichever side is desirable for them. The label of extremism is closely connected with the



political maneuvers having the objective of putting another person in the corner. This way of behaving, according to Suryadi, is rather effective because the Indonesian community, which is rather accustomed to the mutual assistance system [gotong royong] and to synchronized views of most matters, clearly is not comfortable with extremist groups.

A different view is held by Sukardi, a member of Parliament from the F-KP [Functional Development Fraction]. The wartime major general in the Indonesian Armed Forces regrets that the charge of extremism which is made by some government officials is connected with playing politics, although he admits that at times it can indeed be connected with politics. "I think that those who dare to use the term extreme left and right have some evidence," he says. He took as an example Minister of Internal Affairs Amir Machmud. "He really has a responsibility for political stability within the country. Clearly, he must have data and evidence," he says with a smile.

Sukardi considers that those who are regarded as belonging to the extreme left or right groups at the present time are not those included in present social and political forces but rather those who are outside them. For Sukardi, the most important thing is how to act so that there will no longer be extreme right or left. According to him, the best way is to carry out a real development program, in order to achieve a society which is just and progressive. Beside that there needs to be an improvement in communications between social and political forces with the government, "in order to resolve problems together and in order to avoid providing opportunities for extremism," he says.

Why should extremist attitudes emerge? Chalid Mawardi thinks that the decisive factor is the community itself. "If the community is tired and encounters a dead end in connection with a problem, it will tend to carry on extremist actions," he says. The inclination will become increasingly strong, particularly if all roads toward a solution are closed off by the government.

The member of Parliament from the F-PP does not agree with the charge made by some elements that Islam should be included in the extreme right. According to him, Islam is a religious grouping which has already adopted the Pancasila and the Constitution of 1945. "Islam is always anti-capitalist, anti-imperialist, anti-colonialist, and also struggles for a proper life for the humble people. Why should it be grouped with the extreme right. Isn't that a mistake?" he asks.

Agreeing with Chalid, Roeslan Abdulgani, former minister of foreign affairs and a PNI leader, rejects including Marhaenism in the extremist group. "People who know Marhaenism, I think, would easily be classified as belong to leftist ideology. Clearly, that cannot be accepted," he says spiritedly. "Possibly, those who make the charge don't understand it," he adds.

Roeslan does not regret the fact that extremism is often used as a political instrument by leaders. During the Dutch colonial period, extremism was used by the Dutch to condemn those struggling for independence. However, the extremists were not placed at a disadvantage, because the people did not believe the Dutch. "The community now accepts more easily what is said by some government officials," Roeslan says. As a result the person or group accused of being extremist may really be placed at a disadvantage.



## The Symbol of the Leaf

For Chalid Mawardi the effort to prevent the emergence of extremism can be carried out by establishment of rules of the game--by the government or by the people. The commitment of the government to constitutional provisions, laws, and the application of justice will very much reduce extremism. "Extremism itself is a step backwards. Extremist movements certainly will invite ever more extremist reactions," Chalid says.

Roeslan Abdulgani thinks that in Indonesian political life extremist practices will always tend to emerge. "For that reason any charge should be accompanied by an address which is clearly stated and detailed data in its support," he says. His intention is that further mistrust should not be provoked.

For the present the officials who make accusations about the existence of activity by extremist groups never operate on the basis of data or proof, including Minister of Internal Affairs Amir Machmud himself.

A spokesman of the Ministry of Internal Affairs, Feisal Tamin, firmly denied the view that what the minister of internal affairs said was mere gossip and was exclusively a political statement. "As the official responsible for domestic political stability, clearly he has proof. When a leaf falls in a given region, the minister has an apparatus which reports it," Feisal said.

As to the reason why the evidence is not made public, Feisal said, "What the minister says is on the basis of data and facts which he possesses. At present it is felt that it is unnecessary to explain it, because it is still a warning."

Therefore, who in fact is said to belong to extremist groups? Feisal Tamin firmly replied, "Any group which wants to replace the Pancasila and the Constitution of 1945."

## Extremists in History

"I am very proud to be called an extremist," says Roeslan Abdulgani, former minister of foreign affairs and is currently chairman of TIM P-7 [Committee for the Defense and Development of the Pancasila]. During the colonial period the word "extremist" was used by the Dutch to describe the opponents of the Dutch colonial system.

Roeslan's life has a story to tell. At the time of the Dutch attack on Indonesia on 17 December 1948 Roeslan, as secretary general of the Ministry of Information, was actively making contact with officials of other countries. On the same day he was arrested by the Dutch and held in the custody of the Indonesian government. He was released after the Dutch attack, because the minister of information at the time, Roeslan, was being treated in a hospital after having been a prisoner.

After his release, Roeslan was arrested by the Dutch again. He was released after the Dutch government had decided that "Minister of Information" was not a title. After his release, Roeslan was arrested by the Dutch again.

"They were astonished as to why I should have joined an extremist group. In their view an extremist was someone who could not speak Dutch, had long hair, carried a rifle, had rumpled clothing, and so forth," Roeslan says.

After independence was achieved, the term "extremist" changed in meaning. Roeslan Abdulgani thinks that there once was an extreme left and right in Indonesian political history. However, now many questions or developments are connected to "extreme left" or "extreme right" groups, so that this often causes confusion among the people.

In the history of Indonesia many groups or movements regarded as extremist have indeed existed for a long time. There are some based on ideology and there are others based on ethnic identity or separatism.

A movement based on ideology was involved in the Madiun Affair on 18 September 1948. The PKI was preparing to establish a communist government in Indonesia from there, but it was successfully crushed by the government led by Soekarno and Hatta.

On 5 April 1950 Captain Andi Azis, with his troops which formerly were members of the KNIL [Royal Netherlands Indies Army], rose up in revolt. They opposed the restoration of the unitary state of the Republic of Indonesia and opposed the arrival of Indonesian Army troops in Ujungpandang [Makassar]. The government later undertook military operations against them, and by 8 August 1950 the rebellion was put down.

Another separatist movement which lasted rather a long time was the RMS (Republic of the South Moluccas), which separated from the NIT (State of East Indonesia) and the RIS (Federal Republic of Indonesia). The RMS proclaimed its independence on 25 April 1950 under "President" Soumokil.

The essential strength of the RMS was broken in September, 1950. However, Soumokil himself was not arrested until November, 1963. He was later sentenced to death by an extraordinary military court. Remnants of the RMS at this time are still active in the Netherlands.

Another rebellion was the DI/TII movement (Dar ul Islam/Islamic Army of Indonesia). On 17 August 1949 Hizbullah and Sabillilah troops in West Java, which refused to withdraw from areas occupied by the Dutch, declared the formation of the "Islamic State of Indonesia," with a TII led by Kartosuwirjo. This movement was not successfully suppressed until 1962, with the capture of Kartosuwirjo, who was later sentenced to death.

#### New Extremism

The term DI/TII was generally used to reform to an "extreme right" group. The DI/TII itself later spread to several areas, including South Kalimantan (led by Ibnu Hadjar), Aceh (led by Daud Beureuh) and Sulawesi (led by Kahar Muzakar).

A rebellion which was rather unsettling for the Republic of Indonesia was the PRRI (Revolutionary Government of the Republic of Indonesia) in Sumatra, which was formed on 15 February 1958, and the Permesta (Overall Struggle) in North Sulawesi. However, in a short time the PRRI was put down, while the Permesta, which put up a determined fight, took time before it gave in.

Still fresh in memory is the Movement of 30 September 1965, which was manipulated by the PKI and sought to take over the government. However, it was quickly suppressed.

Beside several extremist movements at higher levels, there were many more extremist groups, including those which used radical methods. For example, the group which sought to kill President Soekarno and failed on several occasions. Recently, the government has frequently mentioned an extremist group called Teror Warman [Terrorist Warriors] or also the "Komando Jihad" [The Holy War Commando]. Their objective, according to the current view of the government, is to form an Islamic state.

It is clear that the attitude and term, "extremism," is always present. However, Indonesian political history also shows that many people or groups which were once regarded as extremist later changed and became moderate. This change of attitude may have occurred because of a change of behavior or also because of subsequent developments and a change in thinking. This is admitted by Alfian, who criticizes people who do not see the change in attitude. "Those who previously saw things as black and now still see them as black, without wishing to open their eyes to the fact that there has been a change and things are white--those are the people who have become the new extremists," Alfian says.

9170

CSO: 8127

# NO LNG TO U.S., JAPANESE BID UNDER CONSIDERATION

Jakarta SINAR HARAPAN in Indonesian 20 Jan 81 pp 1, 12

[Article: "Japan Considered As Potential Buyer of Arun LNG to Replace U.S."]

[Excerpts] Japan at present is being considered as a buyer of natural gas (LNG) produced at the Arun field in Aceh, because the United States, which originally under its contract, had the right to buy the gas, "clearly cannot carry out the contract." This was stated at Merdeka Palace on Monday [19 January] by the coordinating minister for economics, finance, and industry, Prof Widjojo Nitisastro, after he had met with President Soeharto. Prof Widjojo was accompanied by Minister of State Soedharmono.

Prof Widjojo said that discussions are now going on with Japan regarding development of increased production of LNG in the Badak field in East Kalimantan. The Japanese are also interested in LNG from the Arun field, as the time limit for the U.S. to carry out its commitments under the existing contract expired on 31 December 1980. Prof Widjojo said that, "for our part we will need to consider" the Japanese interest in the matter.

As reported by SINAR HARAPAN on 15 December 1980 the LNG project in the Arun field involved around \$2 billion (or Rp 1.25 trillion). The contract to purchase the gas was originally signed on 6 September 1973 by Pertamina and the "Pacific Indonesia LNG Company" (Pac Indonesia). Pac Indonesia is a subsidiary of the "Pacific Gas & Electric Co of San Francisco" and "Pacific Lighting Corp" of Los Angeles (the latter a subsidiary of "Southern California Gas Co") in the U.S.

Among other things the contract provided for the purchase of natural gas produced in Indonesia over a 20 year period, at a production level of 4.5 million tons per year by the beginning of 1980.

However, it turned out that this project later encountered difficulty in determining a definite location for the terminal of the LNG imported from Indonesia, although for planning purposes it had been believed that the terminal would be located in California.

The location of the terminal at Point Conception in Cojo Bay, about 150 km west [sic] of Los Angeles, which originally was given conditional approval by the

FERC (Federal Energy Regulatory Commission), later was challenged by the Washington Court of Appeals in April, 1980, because there was a geological survey report (U.S. Geological Survey) which pointed to the potential for earthquakes near the terminal location.

In an effort to obtain agreement from the U.S. government Prof Widjojo Nitisaastro met with the then U.S. secretary of the Department of Energy, Dr Schlesinger, in Washington in August, 1980. However, Schlesinger did not approve the project and thought that a more logical market for the Indonesian LNG would be Japan.

However, later in the course of a meeting between Indonesian Minister of State for Control of the State Apparatus Sumarlin and Deputy Secretary of the Department of Energy John O'Leary the U.S. government gave its conditional approval, while awaiting the results of a further "hearing" and additional research. However, the "hearing" process at this time is expected to consume a rather extended period of time.

5170

CSO: 4213

# NURTANIO TO PURCHASE CT7 AIRCRAFT ENGINES

Jakarta SINAR HARAPAN in Indonesian 23 Jan 81 pp 1, 22

[Article: "Nurtanio and GE Agree on Purchase of CT7 Engines"]

[Text] PT Nurtanio and General Electric (GE) of the United States have reached agreement on the purchase of CT7 type engines which will be used for the CN-235 aircraft produced by Nurtanio. This was stated by a source at BPP Teknologi after a meeting between Minister of State for Research and Technology Habibie and GE representative Brian Roewe in Jakarta last Thursday [1<sup>st</sup> January]. It was not stated how many engines would be delivered by GE, but it was announced that the first engine would be turned over by the end of 1983 at the latest.

The CN-235 aircraft is fully the product of a Nurtanio design, conceived and developed by Indonesian technicians working in cooperation with Spanish technicians. The two-engined aircraft can carry 35 passengers. The previous type of aircraft produced by Nurtanio was the CN-212, which could carry between 12 and 18 passengers.

Brian Roewe stated that the cost of a CT7 engine would be about \$200,000. The engine is suitable for a CN-235 aircraft, Brian Roewe added. The engine has been mass-produced since 1978 and is being used in a number of types of aircraft and helicopters in the United States with success. Up to the present the number of engines of this type which have been produced is about 450.

Roewe said that the engine is economical in comparison with other engines of its type. It develops 1700 horsepower, and its operational cost is about \$30 per hour. Over a period of use of 15 years its operational cost would be about \$200,000. He said this was a very low cost.

Next March a contract will be signed between Nurtanio and GE regarding the purchase of CT7 engines for the CN-235 aircraft.

5170

CSO: 4213



FBSI CHAIRMAN HOPES LABOR RELATIONS OF JAPANESE FIRMS WILL IMPROVE

Jakarta SINAR HARAPAN in Indonesian 16 Jan 81 p 11

[Article: "Japanese Firms in Indonesian Should Treat Workers in More Humane Way"]

[Excerpt] The general chairman of the Central Executive Council of FBSI, Agus Sudono, hopes that Japanese firms operating in Indonesia will treat their workers in a more humane fashion. The humane way in which workers are treated in Japan is not like the way workers are treated by Japanese firms in Indonesia.

He said on Friday [16 January] in Jakarta that, in order to achieve that objective, Japanese firms, and especially those which are multinational corporations, should raise the level of welfare of their workers in a phased way. He made these remarks on the occasion of the signature of the collective bargaining agreement between management and workers of the PT Asahimas firm in Jakarta.

The 877 Japanese capital investment projects in Indonesia, with an investment of \$3.9 billion, constitute 34.3 percent of all foreign capital invested in Indonesia. However, the total of trade union and collective bargaining agreements and the number of Japanese capital projects in Indonesia are not equivalent.

Therefore, I urge the Japanese firms to recognize trade unions and enter into collective bargaining agreements if they wish to treat their workers in a more humane fashion, he said firmly.

Regarding collective bargaining agreements, he said that of the 9 000 working places with trade union representation there are only 1,248 collective bargaining agreements affecting 2,000 firms. Based on Regulation No 02/1978 of the minister of manpower and transmigration, he said that he had instructed trade union leaders to submit written requests to the respective firms to reach a collective bargaining agreement.

If such requests are not replied to by the companies concerned, the trade union leadership may raise the matter with the Regional Committee for the Resolution of Trade Union Disputes (P4D) or with the courts. In the regulation of the minister referred to above it is provided that firms which do not pay attention to such requests to reach collective bargaining agreements may be fined by the courts.

SUCCESS OF AGRICULTURAL PRODUCTION IN KAMPUCHEA REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Jan 81 p 2

[Article by Hoang Tuan on the occasion of the 2d anniversary of the Kampuchean people's victory (7 January): "Great Success of Agricultural Production"]

[Text] With its farmland making up 37 percent of the country's area and including 2.5 million hectares of fields, agricultural production in Kampuchea has had its years of prosperous development, achieving more than 3 million tons of paddy in 1969 and exporting part of its paddy and rice yield.

In nearly 4 years under a genocidal regime, agricultural production gradually came to a standstill. Through its state policy of concentrating people into "communes" and applying an extremely harsh labor system while waging a border war against Vietnam in conjunction with a unilateral civil war aimed at repressing the people and patriotic elements, the Pol Pot clique seriously undermined the agricultural productivity of Kampuchea. Throughout the country, 2/3 of the fields were laid fallow and 3/4 of the total herd of buffalos and oxen killed, with the result that rice productivity gradually decreased and that Kampuchea--a country which formerly had more than enough paddy and rice--was plunged into famine. The remaining population of more than 4 millions was faced with dire famine in late 1978. During its collapse and retreat, this clique burned down the existing few paddy stores and grain depots, further destroyed water conservancy works and farming implements and equipment and killed draft buffalos and oxen--thus creating countless difficulties for agricultural production in the future.

After overthrowing the Pol Pot genocidal regime and along with the very urgent task of defending the country and safeguarding the revolutionary achievements, the newly formed Kampuchean people's administration had also the pressing duty to immediately reorganize production activities together with social ones. Agricultural production ranked first.

To carry out this task, a series of measures were taken. With international assistance, the new administration did its best to urgently stabilize the life of hundreds of thousands of households composed of millions of exiled and maltreated people who returned to their native villages. More than 200,000 tons of grain, medicines and essential consumer goods coming from Vietnam, the Soviet Union, fraternal countries and international relief organizations were promptly distributed to the people, especially to persons who had just smashed the "communes" and returned to their homelands. This initial aid was an important factor enabling the people to

restore production. Throughout the countryside, attention was paid to the sowing and growing of short-term rice, vegetable and subsidiary food crops so that hundreds of thousands of hectares were cultivated with short-term rice, corn and potato in the first few months and soon yielded the harvest. A year after the liberation day, over 40,000 production solidarity teams were set up in hamlets [phum] and villages and enthusiastically proceeded with production. In Battambang Province, 95 percent of the total number of households joined production solidarity teams. Assistance was given to the provinces of Stung Treng, Kompong Cham, Battambang, Pinom Penh, Siem Reap and Kompong Speu to enable them to rehabilitate installations specialized in repairing and producing farm implements. Hundreds of thousands of tons of grain given by other countries were continuously sent to the rural areas to help farmers further stabilize their life and concentrate their efforts on production. As an aid from Vietnam in the first year, hundreds of water pumps and scores of mechanical plows were sent to various localities. The state guided localities to carry out water conservancy and, at the same time, urgently repaired and recommissioned many reservoirs, dams, key canal networks, pump stations and so forth including major works in Battambang, Kampot, Takeo, Siem Reap and Kompong Speu. More than 600,000 buffalos and oxen were herded together and their protection guided by the state. A fallow land reclamation movement was launched to restore thousands of hectares of arable land to farming. Bombs and mines were dismantled, obstacles removed and farming organized in those vast fields in Svay Rieng, Prey Veng and Kandal which were formerly turned by the Pol Pot clique into "white" zones to conduct its border war against Vietnam.

In 1979, the entire country cultivated nearly 1 million hectares of rice and subsidiary food crops including 700,000 hectares of rice and over 66,000 hectares of subsidiary food crops during the rainy season alone. The average per hectare yield of the principal rice crop was 1 ton and even 1.5 tons in some areas.

Because of a vigorous development of agricultural production, Mondolkiri was the first province to eradicate famine.

Situated in the northeastern mountainous region of Kampuchea, Mondolkiri was a poor province where the people lacked not only salt but also rice and clothes because its location was weak, scattered and backward. For nearly 4 years under the Pol Pot regime, this province was not only neglected because of its remoteness but also seriously devastated by this clique's repressive activities against opposition movements. Forced to disperse into forests and to give up their upland fields and jobs, the minority nationalities led a very miserable life. After the liberation day, the new administration actively urged these people to return to their villages to rebuild houses and increase production. Rejoicing over the fact that they had escaped the earthly hell created by the Pol Pot regime and that they were eagerly helped by the new administration in their endeavor to stabilize life and production, the minority nationalities in the province enthusiastically fought famine by immediately cultivating upland fields with short-term rice and subsidiary food crops for production purposes. During the rainy season, the state supplied them with farm implements and, with some contribution by the state, provided them with seeds for sowing and transplanting; the entire province was thus able to cultivate rice and thousands of hectares of subsidiary food crops. The people overcame famine by joining production solidarity teams, by active

repairing plows and hoes and manufacturing additional ones, by herding together thousands of buffalos and oxen and tending them, by repairing old reservoirs and dams and building many new ones, by digging canals with a length of several tens of kilometers, by reclaiming almost all the former fields which had been laid fallow, by working on many new slash-burn upland fields and by busily organizing cultivation--thus fulfilling the [agricultural production] plan on schedule. Since they were carefully tended, the rice and subsidiary food crops yielded a good harvest. The rice crop yielded 1.5 to 1.6 tons per hectare in the lowlands and 2 to 2.5 tons per hectare in the highlands. People were very enthusiastic about the high yield obtained in many areas from the "Nong Nghiep 8" rice variety given by Dac Lac Province, Vietnam. As a result of this production season [1979 rainy season], the per capita income of the province people was 320 kgs of grain composed of paddy and subsidiary foods in paddy equivalent, which stabilized their subsistence and ensured enough food until the next production season. The success of Mondolkiri Province in carrying out production to ward off famine encouraged other northeastern provinces such as Stung Treng and Ratanakiri.

Kampuchea's agriculture also registered an encouraging achievement in carrying out production during the 1980 rainy season.

It can be said that the entire Kampuchean nation exerted every effort to start this extensive production season.

The state supplied localities with a further 60,000 tons of seed paddy sent in as an aid by Vietnam and international organizations, with more than 312,000 plows and hoes, with more than 1,500 water pumps several hundreds of which had a 1,500-cubic [meter] hour capacity, with hundreds of mechanical plows including 2 20-mechanical-plow teams reserved for the 2 provinces of Svay Rieng and Prey Veng, and with 6,000 sprays together with 40 tons of chemicals to eliminate insects and rats harmful to riceplants. The railway, road and river transport sectors at both the central and local levels concentrated numerous means and even extensively used rudimentary ones belonging to the people to rapidly carry all agricultural supplies to villages and hamlets including those in the remote mountainous provinces and near the Thai border. In conjunction with the local people, the water conservancy sector completed the restoration and building of hundreds of large-, medium- and small-scale projects including 14 major ones such as the [Krasang Chinit] farmland water conservancy project in Kompong Thom Province which is one of the largest in Kampuchea and which can irrigate and drain some 25,000 hectares. Though seriously damaged by the Pol Pot clique, the [Barai] reservoir in Siem Reap Province, the two pump stations of [Pret Dang] and [Sa Ang] in Kandal Province, the [Roleng Chley] dam in Kompong Speu Province and [Salaku] dam in Takeo Province were urgently rehabilitated to promptly serve the production season from its start by irrigating and draining thousands of hectares.

Throughout the country, more than 80,000 production solidarity teams were set up to involve the majority of peasants in collective undertakings.

Owing to the great efforts of the various administrative levels, sectors and entire people during the 1980 rainy production season, throughout Kampuchea rice sowing and transplanting were carried out on more than 1.2 million hectares and subsidiary food crops cultivated on 117,400 hectares including 89,800 hectares of corn. Har-

weeding was carried out on all the areas grown with subsidiary food crops which gave a high yield, especially corn. Though some areas were affected by drought at the beginning of the season and some others damaged by harmful insects, diseases and rats, the riceplants in this (1980 rainy) season grew up evenly because they were carefully tended. The affected areas quickly organized the elimination of insects and rats to protect the cultivated riceplants.

The Kampuchean people throughout the country are elated by the result of the 1979 production season and the 1980 dry season and especially by the success of the 1980 rainy production season and the prospect of bumper harvest. Though they have only started harvesting, people in various localities have registered to sell large amounts of paddy to the state. People in Battambang Province have pledged to sell 15,000 tons of paddy and those in Siem Reap Province 10,000 tons.

These initial successes in agricultural production have attracted the attention of public opinion in foreign countries. The UN humanitarian relief agencies in Kampuchea and many international journalists and foreigners coming to visit Kampuchea have reported that this country "is reaping a good harvest and is likely to overcome famine and gradually stabilize its people's life."

## KAMPUCHEA

### BRIEFS

EXILES VISIT PRK--Six Kampucheans living in France, including a former minister of Marshal Lon Nol, went to Phnom Penh in January. It was the first Khmer delegation to come to Kampuchea since the pro-Vietnam regime of Heng Samrin seized power. This delegation visited several provinces, had talks with important leaders, and came back devoted to the ideas of the regime. The delegation estimated that it would be 1985 before the Kampuchean army by itself would be capable of subduing the nationalist and Khmer Rouge resistance without the help of the Vietnamese army. [Text] [Paris LE MONDE in French 26 Feb 81 p 4] 9735

CSO: 4200



## BRIEFS

DISTILLERY PRODUCTION--The chairman of the board of the "Lao Vieng" distillery, coming from the Vientiane industrial and commercial service, organized on the 5th of this month in Vientiane a ceremony to review its performance over the last 5 years and to establish its first 5-year plan. The occasion was honored by the presence of Mr Saly Vongkhasao, secretary of the central party committee secretariat, vice-prime minister, and president of the national planning committee; Chanmi Douangbouddy, member of the central party committee, secretary of the party's Vientiane provincial and prefectural committee and minister for the presidency of the council of minister, as well as a number of honored guests. According to the report, over the last 5 years the distillery has produced 571,105 liters of alcohol of various kinds, 187,012 liters of 90° [as published] alcohol, and 6,144 liters of distilled water. Then Mr Chanmi Douangbouddy took the floor to warmly congratulate the determination to master the country, the ardor, and perseverance of the workers who have devoted themselves to their work of alcohol distillation for the benefit of society. He also asked everyone to redouble their vigilance against enemy machinations, to apply themselves to their work, and to become more firmly united every day. [Text] [Vientiane BULLETIN QUOTIDIEN 7 Feb 81 pp 1, 2] 9735

CSO: 4200

## BRIEFS

GENERAL ELECTION DATES--Kathmandu, March 2: Nepal's general elections will be held and completed between April 13 and March 14, according to an announcement by the national election commission. The polling date will be fixed in consultation with leaders of various sections, after the final voters' lists are ready in all the 75 districts. Some sections of Nepal's political leaders and the non-official press have been critical of the delay in fixing the poll date, according the ruling partyless panchayat of launching its canvassing with the ministers exploiting their official status. The daily, NAVIN KHABAR said editorially that while the ruling group had begin its canvassing and was choosing its nominees, others in the field had been denied this facility because of the delay in fixing the poll date. [as published] [By Mavin Kurve] [Text] [Bombay THE TIMES OF INDIA in English 3 Mar 81 p 7]

CSO: 4220

## COORDINATED EFFORT TO SAVE ECONOMY URGED

Islamabad THE MUSLIM in English 7 Mar 81 p 4

[Editorial: "Economy in Quagmire"]

[Text]

IF the nation is once again in the grip of a crisis one of the chief factors behind it is that the national economy is now in a quagmire, which is the worst ever according to the standards of the hard-pressed non-oil-producing Third World. During the last few years, we have been able to manage an annual growth rate of nearly 6 per cent, but this is more a result of expansion of service sectors than of agriculture and industry. In agriculture, we have a period of real heavy-going ahead of us due to none-too-good cotton and rice crops that have already been harvested and the crucial wheat crop that has yet to come to the market. In industry, the growth is below the target, it is mainly a result of increased output in the public sector undertakings, where the profit and loss calculus has but little effect on the scale of operations. The service sectors are expanding due to inflow of foreign credits and home remittances. Their severe negative effects on the economy are all too apparent.

In monetary terms, the most serious problem facing the country is inflation, its annual rate this year cannot be less than 20 per cent. It is attributable to investment running ahead of savings and the inflation-ridden imports running ahead of exports. Such freedom as we had in moderating the rising rate of inflation has been tightly circumscribed by our International Fund Facility accord with the IMF. We are now obliged to cut down subsidies, to open the floodgates to inflationary imports, to let the domestic industry reel back under the blows of foreign competitors, to generally follow a tight-money, deflationary policy, and to keep the wages frozen despite the mad scamper of prices. That cannot but breed economic discontent, social unrest and political ferment.

Industrial peace is threatened by the draft law now on the anvil, a policy that is an incoherent mix of disparate ideas. This policy takes care of many recently propagated views, relevant as well as irrelevant. But it gives little attention either to the vital question of wages or of productivity improvement on which any non-inflationary rise in money wages has to be based.

There can be no two opinions about chronic mis-management lying at the back of most of our economic problems. In recent months there has been an intensive study of all these problems by several foreign experts drawn from the World Bank, the IMF and, of course, West Germany (the redoubtable Dr. Karl Schiller). They have all suggested remedies benefiting most of the overseas interest groups which they represent. If their recipes are uncritically accepted, there will be no scope left for harmonising economic and social policies. And that will only add to the deprivations of the inflation-stricken multitudes.

What has been grossly lacking is the detailed concrete analysis of our concrete economic situation by domestic talent responsible for managing the economy on the spot. It is surprising that so much store is put by the advice of foreign economists when Pakistan's own eminent economists are engaged both on short and long-term basis to advise other countries. Nor has any attempt been made to take a leaf out of the book of leading Third World nations whose economies have become vibrant and buoyant through the pursuit of correct policies designed to satisfy popular urges.

It will not be uncharitable to say that present state of the economy is a sad commentary on the performance of federal bureaucrats in charge of stabilisation programmes, development planning and foreign debt management. After the signing of the Extended Fund Facility Agreement with the IMF, there is little freedom of action left in the matter of the stabilisation programme.

In the matter of development planning and foreign debt management, the freedom of action is still there, but its use has perhaps never been as bad as at present. All actions here are disjointed, lacking in team spirit, even whimsical. All attention is concentrated on expenditure sanctions for projects promoted by diverse interest groups. Little attention is being paid to evolution of meaningful economic policies and use of regulatory economic instrument of planning. Economists Planners Group that could serve as a useful instrument of co-ordinated evolution of economic policies at the suitable expert level is being disbanded. Generalist administrators are being substituted in positions meant for professionals, economists and others. Whenever expert representation is needed Pakistan is going unrepresented at important international and regional forums — for example at the annual session of Economic and Social Commission for Asia and the Pacific.

Nevertheless, it is not too late to retrace our steps and to put the national economy on an even keel. But this can be done only through a co-ordinated study of our development problems by independent experts in the correct perspective of the national economy. This study has, of course, to be followed by action programmes, which again have to be launched with a concerted endeavour at the expert and the administrative levels. It goes without saying that both in devising the action programmes and in launching them, the regional as well as the Third World experience must be kept in view. In approaching the problems of development planning, intellectual isolationism can be worse than the inefficiency of a closed economy. Lastly, we must not forget that in this age economics and politics are interlinked. If the economy continues to slide downhill and is not rescued from the current impasse, it will give rise to a bigger and intractable national crisis with uncalculable consequences.

CSO: 4220

## CONTINUED CENSORSHIP OF PRESS SCORED

Islamabad THE MUSLIM in English 6 Mar 81 p 4

[Editorial: "Selectivity and the Press"]

[Text]

MORE than a year has elapsed since the imposition of total censorship in the country. Time and again newspapers have tried to bring to the notice of the Government the pernicious effects of its application but that has led neither to its removal nor its slackening despite assurances given at regular intervals. One does not have to go far to seek ill effects of doctoring, tailoring or screening news. When people discover that their own media is suppressing the truth, they invariably turn to other sources, either foreign radio broadcasts or plain rumour. Thus anything suppressed at home reappears abroad and the mere distance lends to it an element of mystery and sensation. Yet another effect is the artificial vacuum which censorship creates and the feeling that everything is all right. This may suit bureaucratic preferences but it does no good to any government, whatever its denomination, which should know for its own good what the people are feeling and thinking.

This situation is bad enough and ought to have been rectified months ago. But lately there has been another twist to the application of censorship. Politics remains banned from the media but (and this is the latest development) not the politics of certain specific groups and coteries. Statements attributed to them, sometimes irresponsible, sometimes positively vitriolic, have been liberally splashed and displayed. The result of this is that some parties which according to the letter of the law were defunct have for all practical purposes been resurrected.

It is not clear what purpose this selective bias is likely to serve. Politics is not such a naive sport as some sections of the media would have us believe. Popular representation, if it needs must be stressed, depends on the support of the masses and not on any newspaper tricks. If the Government, for whatever consideration, feels the necessity to expand its popular base, there the thing to do is to lift the curbs on public debate and revive the political process. From the Greeks down to our own days this has been the only method of involving the people in the business of government. In any other context, a united national will and a united national resolve are but empty clichés.



It is no use denying the fact that critical days are ahead for Pakistan. It is all too easy to sublimate domestic failure in external menaces and dangers. But this line is seldom fruitful. What can be expected from the occupants of a house in which the blinds are drawn and the shutters securely shut? If they expected to see the light, the shutters must be pulled up and the wool burnt in a corner. And if they are at all to have newspapers, they must be newspapers which they can trust and which do not insult their intelligence.

CSO: 4220

CONVERTING COCONUT OIL TO GASOLINE SAID POSSIBLE

Manila BULLETIN TODAY in English 25 Feb 81 p 19

[Text]

A 75-year-old lawyer, who is still active in law practice and once an attorney of the War Damage commission, has come out in the open and said that one of the treasures he keeps is an inheritance from an American physics professor — a process for converting coconut oil into gasoline.

He said this formula differs in what the government is working on — which converts coconut oil into diesel.

Lawyer Eliseo P. Legaspi, Sr. said the American teacher gave him the process just before he died in 1942. The process, Legaspi said, was the subject of raves in the American press shortly after the Pacific War but said it did not attract much at-

tention then because of the "ridiculously" low price of gasoline.

"The high cost of fuel today has reversed the situation," Legaspi said. "This is the reason why I felt it is high time and my duty that I revealed my secret."

Legaspi said that, in 1947, he went to Malacañang to see President Manuel Roxas and to register his formula but then Executive Secretary Emilio Abello, now assemblyman and Meralco Foundation chairman, dissuaded him from doing so. Legaspi said Abello instead advised him to register the formula in the United States.

Among the mementoes which Legaspi has kept are news clippings about the formula. in the Sept. 14, 1949 issue

of the Evening News, it was reported that the former secretary of agriculture Mariano Garchitorena recommended the formula to the National Coconut corp. (NACOCO).

In the Manila Times issue of Sept. 20, 1949, Florencio P. Buan, the owner and general manager of the Philippine Rabbit Bus company at that time, Guillermo Manlapit, and Bienvenido F. Halili, of the Halili Land transport, urged the government to consider the conversion of coconut oil into gasoline for use in passenger and freight trucks by using the formula.

Legaspi said that William Irey gave the formula to him shortly before he died on his bed at the Calle Dakota, now occupied by an elementary school behind the Remedios (Malate) church.

Legaspi would not divulge his formula to just anybody but to one who could make it work for the benefit of the rest of the Filipino people. And the only persons who are in that position are President Marcos and the First Lady, Mrs. Imelda Romualdez-Marcos.

CSO: 4220

TONDO DEVELOPMENT TIMETABLE ADVANCED BY ONE YEAR

Manila PHILIPPINES DAILY EXPRESS in English 11 Mar 81 p 7

[Text]

**THE TIMETABLE** for most Tondo redevelopment projects, especially the infrastructure under a loan agreement with the World Bank, will be advanced by at least a year to fit into an accelerated BLISS development program approved by the First Lady.

The First Lady, Human Settlements Minister and Metro Manila Gov. Imelda R. Marcos has set in motion a massive, total-approach program for converting Tondo, within three years, into a model community complete with livelihood centers, parks and playgrounds and a hub for industrial and commercial establishments.

The government will set aside about P300 million for loans of P10,000 to P20,000 to rebuild 15,000 homes with the assistance of teams of architects and engineers drawn from the private sector.

...

**ANOTHER** P374 million is estimated to finance staff costs, 15,000 livelihood centers and the reclamation and land development for the proposed Metro Manila Commuter Center. The total cost of the BLISS project will reach P674 million, without contingency costs.

In a meeting with the task force on the accelerated BLISS program at Malacanang, Mrs. Marcos asked the highways ministry to advance from two years to one the completion of a highway passing through Tondo.

She also asked the Metropolitan Waterworks and Sewerage System to finish the work on the water systems in Tondo not later than this year, and to speed up the completion of an integrated sewerage and drainage system by one year.

...

**CONSTRUCTION** of water, drainage and sewerage systems, for Tondo as well as roads have all been started, following the signing of the project and loan agreement with the World Bank in November 1976, which calls for an expenditure of P330 million, 52 percent of which consisted of Philippine peso counterpart.

The packaged program also includes the reblocking of the whole district and the titling of family lots. Gen. Man Gaudencio Tobias of the National Housing Authority, executive director of the accelerated BLISS program, said that 5,000 titles have been awarded, and 2,000 more are being processed. A total of 15,000 titles shall have been distributed by March 1981.

...

**MOST** OF the World Bank loan for Tondo will be used for infrastructure.

said. However, these projects have to be advanced if the program is to be completed in three years.

**DURING THE** <sup>\*\*\*</sup>meeting, the First Lady also asked the Menlo to submit a plan to put electric and telephone wires underground.

Informed that the latest sewerage plans still call for throwing waste into Manila Bay, the First Lady asked the MWSS to look into the possibility of waste-recycling with the use of modern technology.

She reiterated a humanistic approach that should be employed in the redevelopment of Tondo, saying that humanity should not be sacrificed for progress.

She said that each family getting a home loan should rebuild their homes according to their taste.

The accelerated BLISS program will be implemented by a cabinet committee that will be in charge of such aspects as land tenure, livelihood, community participation, design and standard, financing, home material loans, infrastructure and special projects, with the Ministry of Human Settlements and the NHA as lead agencies.

CSO: 4220

# AIR FORCE CHIEF TALKS TO PRESS IN MADRAS

Madras THE HINDU in English 2 Mar 81 p 12

[Text] Air Vice-Marshal H. Goonetilleke, Commander of the Sri Lanka Air Force, refuted here today press reports alleging that the Government of Sri Lanka had offered recreational facilities to personnel of the American Air Force and Navy serving in the Indian Ocean island of Diego Garcia, which is being developed as a base for the defence forces of US.

The Sri Lanka Air Chief, who was talking to newsmen at Meenambakkam airport at the end of a six-day official visit to various establishments of the Indian Air Force at the invitation of the Chief of Air Staff, IAF, said, these reports had "no basis at all".

He said cordial relationship existed between the Air Forces of India and Sri Lanka. At present 30 officer-trainees and cadets from his country were undergoing training in different institutions of IAF in India.

During his discussions with Air Chief Marshal I. H. Latiff in Delhi, he said, he had made a request for increasing the intake of trainees to 50 a year.

He had also an opportunity of meeting eight of such officer-trainees at the Air Force Academy, Hyderabad.

Recalling with gratitude the help rendered by IAF to Sri Lanka in the recent past, he said that during the insurgency in 1971 the IAF came to their assistance with its aircraft and helicopters and again a couple of years ago when devastating cyclone hit some coastal areas in some parts of the Island.

In reply to a question, he said that proposals were on hand to modernise the fleet of transport aircraft of the Sri Lanka Air Force by replacing the present types which were more than two decades old. He hoped provision for this would be made in the 1982 budget.

Air Vice-Marshal Goonetilleke said that his Government planned to introduce an Air-borne Surveillance System on the lines of the Indian Coast Guard for protection of their maritime zone with a view to protecting the interests of fishermen and preventing contraband trade.

The Sri Lanka Air Force, he said, was observing its 30th anniversary on March 11

Earlier when the Sri Lanka Air Chief accompanied by Mrs. Marian Goonetilleke arrived in Madras from Bangalore by a special IAF Avro plane, he was received by Air Commodore K. Subramaniam, Air Officer Commanding, Air Force Station, Tambaram and Mr. Newton Samarasinghe Deputy High Commissioner for Sri Lanka in Madras (who assumed charge of office today).

Later, Air Vice-Marshal Goonetilleke left for Colombo by the scheduled service of Air Lanka. He was seen off by Air Marshal B. W. Chauhan, AOC-in-C, Training Command, IAF, Bangalore and Mrs. Chauhan along with other Air Force Officers and their wives.

CSO: 4220



## PRESIDENT VOWS FIGHT AGAINST LINGUISTIC DIVISION

Madras THE HINDU in English 3 Mar 81 p 5

[Text] Colombo, March 2.

The United National Party will fight tooth and nail any attempt to divide the country on a linguistic basis, declared the Sri Lanka President, Mr. Jayewardene, addressing a mass rally at Kahawita on Friday.

Remarking that the Sri Lanka Freedom Party had been flirting with the Tamil United Liberation Front in recent months, Mr. Jayewardene asked whether the SLFP was in favour of creating an Eelam by dividing the country or the TULF had abandoned its policy of establishing a separate Tamil State.

The only conclusion that the people could reach was that the SLFP favoured division of the island as demanded by the TULF.

Mr. Jayewardene said that as long as he remained at the helm of affairs he would never agree to any division.

He said that his Government treated every one alike and was trying to develop the country as a whole. It wanted every one to live in peace and harmony and with equal rights and privileges. Today every political party had a right to hold meetings in any part of the country without let or hindrance but this was not so during the last regime.

He said that the Opposition parties were making arrangements to convene a round table conference to solve the problems of the Tamil-speaking minority. The parties included the SLFP, the TULF, the Communist Party, the Sri Lanka Tamil Eelamama Party and the Mahajana Eelam Peramuna. An invitation to attend the conference would also be extended to ruling party.

Answering the question asked by Mr. Jayewardene, the Leader of the Opposition, Mr. M. A. Jayaratne, said at Ussell on Sunday that the TULF would never give up its demand for a Tamil State. Nor had the SLFP accepted the demand for a separate State.

Mr. Jayewardene said that he would join hands with other political parties to protect the Government whenever it did something wrong. He said that he would not join hands with the SLFP at public rallies.

It was therefore wrong to conclude that simply because they had joined hands, the SLFP had accepted the TULF policy or the TULF had accepted that of the SLFP.

At another meeting at Manipay the member of Parliament from Chavkacheri, Mr. V. N. Navaratnam, pointed out that during the previous regime they had joined hands with the UNP to criticise the Bandaranaike regime. That did not mean that either the UNP had accepted the policy of TULF or the TULF had accepted the UNP's.

CSO: 4220

PULO SECRETARY GENERAL INTERVIEWED

Paris BULLETIN QUOTIDIEN DE L'AGENCE JAMAHIRIYA-PRESSE 15 Feb 81 p 9, 10

[Article by Jamahiriya News Agency: "A Matter for the Pattani People"]

[Text] Kuwait, 9 Rabi' Al Aikher, 14 February--Kabir Abdul Rahman, secretary general of the Unified Pattani Liberation Organization, denounced the Thai occupation and its terrorist practices against the Muslim people of Pattani.

He underlined the determination of the Pattani people to liberate their territory from Thai colonialism and from its allies.

During an interview given to the QABAS correspondent in Syria, Abdul Rahman stated that the occupation authorities have maintained their hold on Pattani territory, that they continue to increase their barbarous military campaigns against Pattani citizens and to hold that the Pattani matter shares the destiny of the Thai people, particularly following the discovery of oil in Pattani territory.

He underlined that the cause of the Pattani people is beginning to concern world public opinion, despite the divergence of opinions and ideas explaining its foundation, adding that his organization has taken upon itself the role of organizing the internal and external struggle, particularly following the intensification of the military conflict between the Pattani people and the Thai occupying forces. He explained that this conflict has entered an advanced phase, following the coming to power of General Berin Fissola Nond, who stated upon taking office that he is going to resolve the Pattani question militarily and that he is going to stamp out the Unified Pattani Liberation Organization.

The new master of Thailand said that he has recently sent major reinforcements to Pattani. According to reports which reached the high command of his organization, Thai commando units have taken positions in the southern provinces. General Berin is personally leading and directing the genocide of the Pattani people.

Abdul Rahman said the regime in power in Thailand benefits from the support of its allies, the leaders of ASEAN and the Zionist enemy.

Abdul Rahman denied allegations by the Thai authorities that the percentage of Muslims in Pattani is no more than 75 percent of the total population.

The Thai authorities, he said, want to minimize the numbers of the Malawi Pattanis. That province contains 4 million inhabitants, not to mention the 2.5 million scattered throughout Thailand. Of those 4 million, 80 percent are Muslim; the others are foreign to the region and have been planted in that province by Thai authorities in order to try to diminish the size of the Malaw Muslim majority in the southern part of the country. By contrast, the governmental authorities put out the following figures from a 1975 census: 1.071 million inhabitants in that province, of whom 803,250 are Muslim.

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